Human Resources and Employment

Ministry Annual Report

2004 | 2005

Alberta
Human Resources and Employment

2005
Alberta Centennial

This report was prepared on behalf of the Ministry by the Department of Alberta Human Resources and Employment in collaboration with the Personnel Administration Office, the Alberta Labour Relations Board, and the Appeals Commission for Alberta Workers' Compensation.

For additional copies, contact:
The Department of Alberta Human Resources and Employment
Communications Division
9th floor, 10808 – 99 Avenue
Edmonton, Alberta
T5K 0G5
Tel. (780) 427-5585
Fax (780) 427-5988
Email: AHRE.communications@gov.ab.ca

Access toll free by dialing 310-0000 and then the 10-digit number.

TDD/TTY number:
427-9999 in Edmonton or 1-800-232-7215

Electronic versions of this document are available at **www.gov.ab.ca/hre/** in the 'Publications' section.

Fall 2005

ISSN 1497-0473

CONTENTS

106-00031/

Introduction — Page

Preface ... 2
Minister's Accountability Statement ... 3
Message from the Minister ... 4
Management's Responsibility for Reporting ... 6

Organizational Charts

Ministry of Human Resources and Employment ... 8
Department of Alberta Human Resources and Employment ... 9
Personnel Administration Office ... 10
Alberta Labour Relations Board ... 11
Appeals Commission for Alberta Workers' Compensation ... 12

Overview of Core Businesses and Functions

Ministry of Human Resources and Employment ... 14
Department of Alberta Human Resources and Employment (AHRE) ... 16
Personnel Administration Office (PAO) ... 23
Alberta Labour Relations Board (ALRB) ... 25
Appeals Commission for Alberta Workers' Compensation (Appeals Commission) ... 26
Other Ministry Entities ... 27

Summary of Ministry Key Activities

Department of Alberta Human Resources and Employment ... 30
Personnel Administration Office ... 32
Alberta Labour Relations Board ... 34
Appeals Commission for Alberta Workers' Compensation ... 35

Results

Department of Alberta Human Resources and Employment
1. Integrated Results Analysis (financial and program information) ... 40
2. Detailed Program Results Analysis and Discussion ... 47

Personnel Administration Office
1. Integrated Results Analysis (financial and program information) ... 72
2. Detailed Program Results Analysis and Discussion ... 73

Alberta Labour Relations Board
1. Integrated Results Analysis (financial and program information) ... 88
2. Detailed Program Results Analysis and Discussion ... 90

Appeals Commission for Alberta Workers' Compensation
1. Integrated Results Analysis (financial and program information) ... 96
2. Detailed Program Results Analysis and Discussion ... 98

Financial Statements

Ministry Financial Analysis and Discussion ... 105
Ministry of Human Resources and Employment ... 113
Supplementary Ministry Financial Information ... 139
Workers' Compensation Board ... 191

Future Challenges

Department of Alberta Human Resources and Employment ... 230
Personnel Administration Office ... 233
Alberta Labour Relations Board ... 234
Appeals Commission for Alberta Workers' Compensation ... 235

Appendices

Appendix A — Visions & Missions (AHRE, PAO, ALRB, Appeals Commission) ... 238
Appendix B — Ministry Acts ... 239
Appendix C — Ministry Office Locations ... 242
Appendix D — Alphabetical List of Government Entities' Financial Statements ... 247
Appendix E — AHRE Performance Measure Source and Methodology ... 250

PREFACE

PUBLIC ACCOUNTS 2004/05

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 29, 2005, contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Human Resources and Employment contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as part of financial statements, to the extent that the Ministry has anything to report, and**
- **additional information relating to the Department of Alberta Human Resources and Employment, Personnel Administration Office, Alberta Labour Relations Board, Appeals Commission for Alberta Workers' Compensation, and Workers' Compensation Board.**

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2005, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 15, 2005, with material economic or fiscal implications of which I am aware have been considered in preparation of this report.

Mike Cardinal, MLA
Minister of Human Resources and Employment

September 2005

Message from the Minister

As Minister of Human Resources and Employment (HRE), I oversee the Department of Alberta Human Resources and Employment (AHRE), the Personnel Administration Office (PAO), the Alberta Labour Relations Board (ALRB), and the Appeals Commission for Alberta Workers' Compensation (Appeals Commission), and have legislative responsibility for the Workers' Compensation Board (WCB).

The Department of AHRE met or exceeded the majority of its performance measure targets in 2004/05, and invested over $713 million to help people become more independent by offering training and career planning, ensuring workplaces were safe and fair, and providing supports to those Albertans who needed them.

We don't have welfare offices anymore – we have employment and training offices that help Albertans who can work, find work. We spent almost $270 million to train people in 2004/05, including funding for apprentices. Last year, 81% of people who participated in our training and employment services, and 83 % of participants who completed 27 First Nations Training to Employment projects, got jobs. That's a success rate I'm very proud of.

There were almost 2.3 million visits to the Alberta Learning Information Services (ALIS) website and over 1.6 million visits to Labour Market Information Centres last year. Almost 90,000 jobs were posted to Canada-Alberta JOBS, and our staff helped employees impacted by downsizing and plant closures in mining, manufacturing and food processing businesses.

The Government of Alberta co-funded Integrated Language Training pilot programs to provide internationally trained professionals with technical English skills and work experience to get jobs in their professions. AHRE provided funding for bridging programs that assist internationally trained professionals to upgrade their skills and acquire Canadian work experience, and partnered with local industry to help immigrants get Canadian work experience and certification information. Immigrants are a source of skilled labour for addressing labour market and skill shortages, and last year 77% of immigrants were employed after accessing our programs and services.

We confirmed an upcoming increase in the minimum wage to $7.00 per hour from $5.90 per hour and consulted with Albertans and business to determine the best way to implement the increase.

Workplaces that are safe and fair continue to be a priority for my department. Workplace Health and Safety officers performed over 3,000 inspections of targeted employers to address workplace safety and injury prevention. We updated the *Occupational Health and Safety (OHS) Code Explanation Guide* to clarify the content and application of the *Code* requirements.

Work Safe Alberta is one of our most important initiatives, and when it began in 2000, the provincial lost-time claim rate was 3.4. In 2004, the lost-time claim rate dropped to an all-time low of 2.6. This represents over 10,000 prevented lost-time injuries for workers each year and over $150 million in annual direct WCB claims cost savings since 2000. Given Alberta's booming economy and the increased number of inexperienced workers entering the workforce, a lost-time claim rate of 2.6 is a significant achievement.

Last year, 99.4% of expired collective agreements were settled without a work stoppage – another substantial achievement. Even with a low unemployment rate, a shortage of skilled workers in some sectors, and high expectations of workers as a result of Alberta's economic growth, Alberta still enjoys a healthy and stable labour relations climate.

Our commitment to people and their families continues. We completed the implementation of Alberta Works, which includes income support, health benefits, child support services, and employment and training services. We also provided benefits to qualified people who needed childcare while job-searching or working, increased income-qualifying levels for families applying for the Alberta Child Health Benefit and the Alberta Adult Health Benefit, extended the Alberta Adult Health Benefit to young adults attending high school, and provided a benefit to clients escaping family violence.

As Minister responsible for the Personnel Administration Office (PAO), I would like to recognize provincial government employees throughout the province for their continued commitment to excellence in serving Albertans. PAO continues to develop innovative corporate human resource strategies to help government meet its current and emerging human resource needs. This role is becoming increasingly important as our government addresses demographic challenges associated with an aging workforce.

Collaboration among ministries is key to successfully meeting these challenges. PAO has continued this collaboration through ongoing work with the cross-government Human Resource Directors' Council. An important initiative completed this past year was the creation of a Workplace Health Framework. The framework is a comprehensive and integrated approach where health, well-being, and safety are an important part of everyday work.

Efforts to ensure the government has a strong public service in the future also continued. The Succession Management Framework supporting leadership development in the public service was revised to take a more holistic approach to organizational and individual capacity building. Further initiatives to support the public service in attracting and retaining talent included the development of a new marketing strategy to promote the government as an employer of choice and the organization of an expo to showcase the public service as a positive and long-term career choice for employees.

This past year was also the tenth anniversary of the Premier's Award of Excellence. Forty-three teams were recognized for business excellence and superior client service through this highly-successful corporate recognition program.

The Alberta Labour Relations Board administers, interprets and enforces Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way. In 2004/05, the Board continued to fulfill its obligations under the *Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003* by providing mediation services for those parties that required it.

The Appeals Commission for Alberta Workers' Compensation is a completely independent entity from the WCB and reports to me. The Commission continued to hear appeals from decisions of the review bodies of the WCB.

Albertans have increased access to training, workplaces are safer and fairer, people are getting the supports they need, and the public service continues to be strong. We have a very stable labour relations climate, and our appeals system continues to be transparent and accountable. We had some challenges, but we met them head on.

Honourable Mike Cardinal
Minister

Management's Responsibility for Reporting

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Human Resources and Employment. Under the direction of the Minister we oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister* and the Public Service Commissioner*, in addition to program responsibilities, we establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance, and the Minister of Human Resources and Employment any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling our responsibilities for the Ministry, we have relied, as necessary, on the executives of the individual entities within the Ministry.

Ulysses Currie
Deputy Minister
Alberta Human Resources and Employment

Shirley Howe
Public Service Commissioner
Personnel Administration Office

September 15, 2005

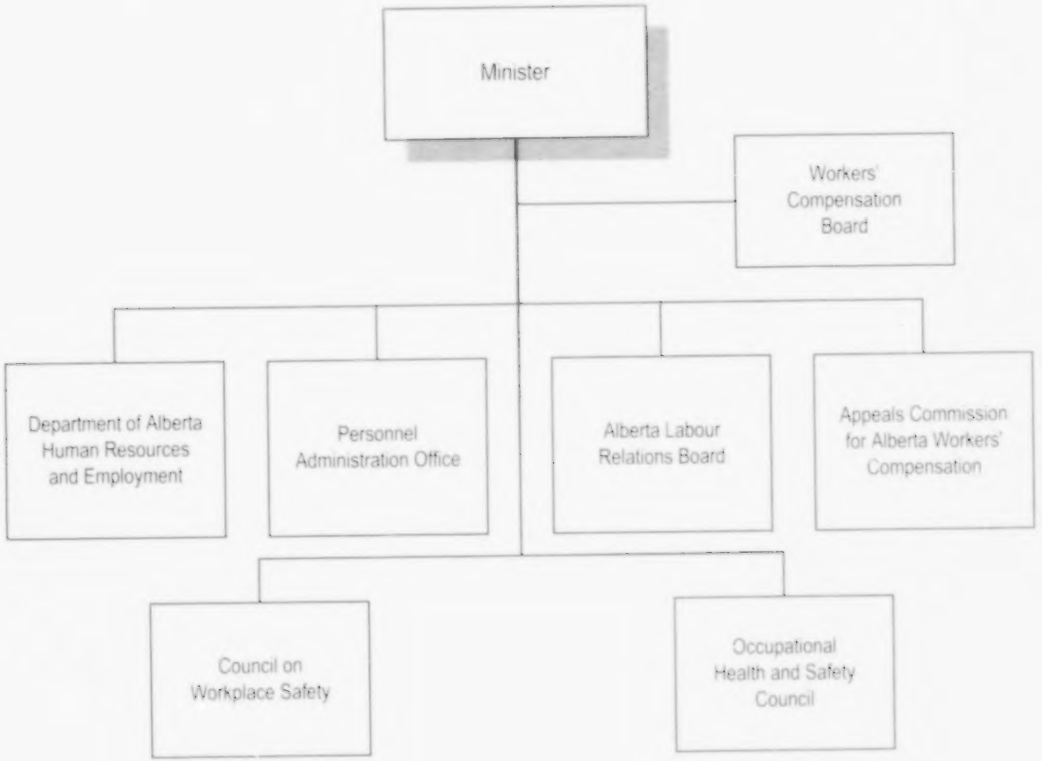
*As per the *Financial Administration Act*, the Deputy Minister of Alberta Human Resources and Employment and the Public Service Commissioner of the Personnel Administration Office co-sign the Management's Responsibility for reporting for the Ministry Annual Report.

Organizational Charts

Ministry of Human Resources and Employment

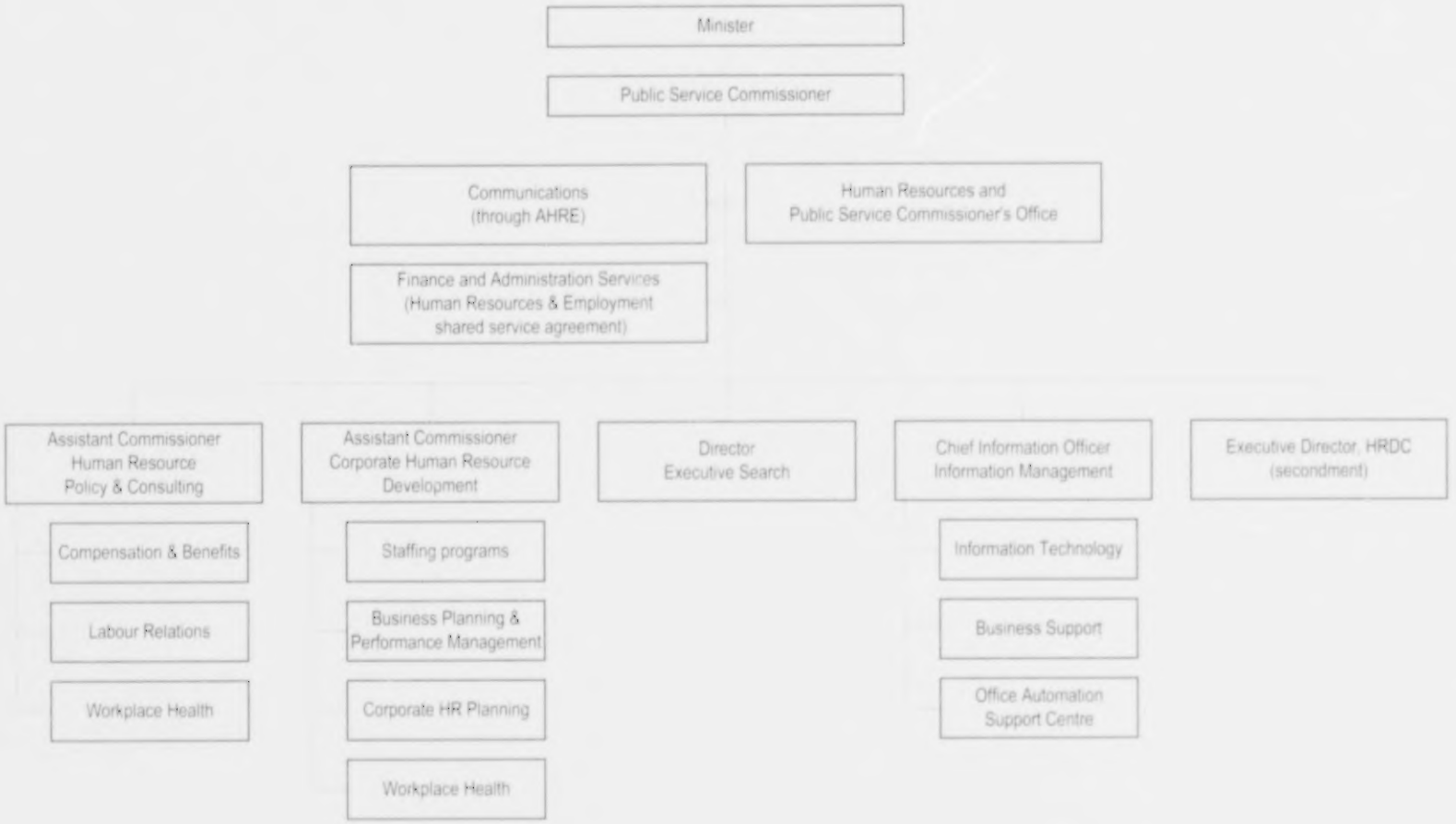
- Department of Alberta Human Resources and Employment
- Personnel Administration Office
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation

Ministry of Human Resources and Employment


Minister
Workers' Compensation Board
Department of Alberta Human Resources and Employment
Personnel Administration Office
Alberta Labour Relations Board
Appeals Commission for Alberta Workers' Compensation
Council on Workplace Safety
Occupational Health and Safety Council

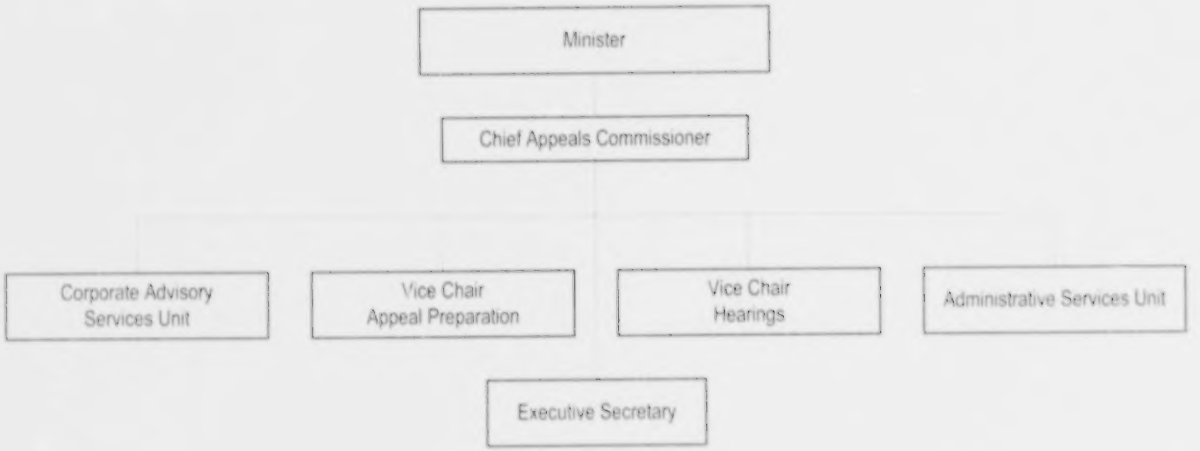
Department of Alberta Human Resources and Employment

Personnel Administration Office



Alberta Labour Relations Board

Appeals Commission for Alberta Workers' Compensation



Ministry of Human Resources and Employment

Overview

The Ministry of Human Resources and Employment consists of the following:

- Department of Alberta Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)
- Appeals Commission for Alberta Workers' Compensation (Appeals Commission)
- Workers' Compensation Board – Alberta (WCB)
- Occupational Health and Safety Council (OHSC)
- Council on Workplace Safety (CWS)

The Department of Alberta Human Resources and Employment, Personnel Administration Office, the Alberta Labour Relations Board, and the Appeals Commission for Alberta Workers' Compensation Annual Reports are contained in individual sections within this overall Annual Report.

Financial information (only) for the Workers' Compensation Board is included in this report. Additional WCB information is provided annually to the Minister in a separate report.

All other entities referenced above produce separate reports to the Minister.

Ministry of Human Resources and Employment

Vision, Mission and Core Businesses

VISION

Albertans have a fair, safe and supportive environment in which to live and work.

MISSION

To foster fair, safe and productive workplaces, enable individuals to succeed in a changing workforce, and assist people in need by providing a continuum of services, programs and information.

CORE BUSINESSES

Department of Human Resources and Employment

Core Business 1: People Investments

Goal 1 Low-income Albertans can meet their basic needs

Core Business 2: Skills Investments

Goal 2 Albertans have the skills, supports and information they need to succeed in the labour market

Goal 3 Alberta has a productive workforce that meets the needs of the economy today and in the future

Core Business 3: Workplace Investments

Goal 4 Alberta has a fair, safe and healthy work environment

Personnel Administration Office

Core Business 4: Strategic Leadership of Human Resource Management in the Alberta Public Service

Goal 5 An integrated, effective and enabling human resource management framework in the Alberta public service

Goal 6 A strong public service that is positioned to meet emerging and diverse government goals

Goal 7 Safe and healthy workplaces in the Alberta public service

Alberta Labour Relations Board

Core Business 5: Labour Relations – Adjudication, Investigations and Mediation

- Goal 8 The Alberta labour relations community receives timely, effective and efficient services
- Goal 9 Promote use of alternative dispute resolution methods to solve issues before reaching formal hearings
- Goal 10 Make clear and timely decisions for the parties to quickly implement the resolution

Appeals Commission for Alberta Workers' Compensation

Core Business 6: Appeal Services for Workers' Compensation Decisions

- Goal 11 Provide a timely appeal service
- Goal 12 Provide fair and independent decisions on appeals
- Goal 13 Provide accessible and transparent appeal services

Department of Alberta Human Resources and Employment (AHRE)

The Department of Alberta Human Resources and Employment provides the following programs and services through three core businesses of investing in people, skills and workplaces.

Core Business 1:
PEOPLE INVESTMENTS: *Providing the foundations for people in need*

The Department, through Alberta Works, provides the following programs and services to help low-income Albertans meet their basic needs and move into the workforce:

Income Support
Income Support (IS) provides financial assistance for individuals and families whose income and assets are insufficient to meet their basic needs. Those qualifying for IS receive a standard allowance for basic needs such as food, shelter and clothing, supplemental benefits, Child Support Services, health benefits and employment supports.

Child Support Services
Child Support Services helps single parents and parents of blended families negotiate child support agreements or obtain child support court orders and registers them for enforcement when appropriate. It is a mandatory service for all single parents or parents of a blended family who are receiving IS or the Alberta Adult Health Benefit. This service can also be provided to clients who stop receiving IS or the Alberta Adult Health Benefit. Child Support Services may also be provided to other low-income Albertans who meet the income eligibility criteria.

Alberta Child Health Benefit
The Alberta Child Health Benefit (ACHB) is a premium-free health benefit plan for children under 18 years of age living in low-income families. The ACHB provides coverage for prescription drugs, eyeglasses, dental care, emergency ambulance services and essential diabetic supplies. Initial funding for the ACHB came from reinvestment funds available through the National Child Benefit strategy, a federal-provincial/territorial initiative designed to reduce the depth of child poverty and promote parents' attachment to the workforce.

Alberta Adult Health Benefit
The Alberta Adult Health Benefit (AAHB) provides continuing premium-free health benefits to AHRE's Not Expected to Work clients as well as to all parents with dependant children who leave IS for work. AAHB provides the same coverage to individuals and their dependants as provided through the IS program, including premium-free Alberta Health Care Insurance and coverage for prescription drugs, eye exams and glasses, dental care, essential diabetic supplies and emergency ambulance services. AAHB clients also receive Child Support Services where applicable.

Core Business 2:
SKILLS INVESTMENTS: *Helping people be their best at learning and work*

The Department, through Alberta Works and various programming and services, provides the following to help Albertans get the skills and training they need to find and keep a job:

Career Information
Career Information programs and services give Albertans the information and resources they need to make well-informed career, education, employment and business decisions and is comprised of the following:

Career Development Services including career planning, job search and labour market information available to all Albertans through:

- Career and Employment Assistance Services (CEAS)
- Job Order Bank Service
- Job Placement Services; and
- AHRE print and electronic resources

Information is offered:

- In person at Labour Market Information Centres or through the Careers in Motion mobile unit
- By telephone through the Career Information Hotline at 1-800-661-3753
- On the Internet through the Alberta Learning Information Service (ALIS) website at www.alis.gov.ab.ca

Youth Connections helps young people explore career opportunities and helps businesses find employees who are motivated and under the age of 25.

Work Foundations
Work Foundations provides full-time and part-time basic skills training to enable clients to pursue further job related training and/or to find a job and substantially improve their employment situation. Work Foundations is comprised of **Basic Skills and Academic Upgrading** including full-time and part-time training for upgrading for grades 4-12 (Note: Adult basic education at grade 1-3 level is available in special circumstances), English-as-a-Second Language Training, and/or general employability skills training.

Training for Work
Training for Work provides full-time and part-time occupationally-focused training opportunities to enable clients to get a job and substantially improve their employment situation or adapt to changing labour conditions and skill requirements in order to sustain employment. This program includes:

Job Skills Training – full-time and part-time occupationally focused training of 12 months or less. Training may be integrated with applied academics and general employability skills. Job Skills Training programs include Integrated Training, Occupational Training, and Workplace Training including work experience and training-on-the-job.

Self-Employment Training – formal instruction in business plan development, business counseling, coaching, guidance and follow-up during business plan implementation.

Disability Related Employment Supports (DRES) – assistance to persons with disabilities in overcoming the barriers to employment created by their disability. DRES is available to support eligible individuals in the Work Foundations, Training for Work and Career Information programs.

Summer Temporary Employment Program (STEP) – full-time temporary work experience placements during the spring/summer months, typically for post-secondary and high school students.

First Nations Training To Employment (FNTEP) – partnerships designed to assist unemployed or marginally employed First Nations members (primarily living on reserve) gain the necessary skills training and/or work experience in projects to obtain and maintain long-term employment.

Workforce Partnerships

Workforce Partnerships assists working Albertans to improve their skills so they can contribute to Alberta's economic growth and meet the demand for skilled workers. Workforce partnerships are also intended to identify, develop and implement labour force adjustments and human resource development strategies through industry and community partnerships and includes the following:

Labour Market Partnerships (LMP) – identify, develop and implement projects with organizations, industry sectors and communities with common labour market needs. Projects include activities such as a labour market environmental scan, and development of a strategic plan to address skill shortages and promote workforce effectiveness.

Core Business 3:
WORKPLACE INVESTMENTS: *Supporting workplaces to make Alberta prosperous*

Workplace Partnerships

Partnerships in Health and Safety

Partnerships in Health and Safety promotes health and safety through partnerships with safety associations, industry groups, educational institutions and labour organizations. A Certificate of Recognition (COR) is given to employers who develop health and safety management systems that meet established standards. Certificates are issued by Certifying Partners and are co-signed by AHRE. Achieving and maintaining a valid COR is required to earn a financial incentive through the WCB's Partners in Injury Reduction program.

Employment Standards Education

This education program provides comprehensive, hands on training seminars and workshops that give participants a better understanding of workplace rights and obligations. Courses are designed to help Albertans become more familiar with the requirements of the *Employment Standards Code* and to help organizations improve their workplace relationships and problem-solving processes.

Workplace Effectiveness
Workplace Effectiveness provides advice, facilitation and education to employers, employees and unions in Alberta. Workplace Effectiveness facilitators work with organizations and union representatives to explore ways to improve workplace relationships and help employers, employees and unions effectively use problem-solving skills and techniques.

Workplace Health and Safety and Employment Standards Compliance

Workplace Health and Safety staff are responsible for enforcement of the *Occupational Health and Safety Act*, Regulation, and Code by responding to notification of complaints, serious incidents and fatalities, recommending prosecution of an employer or worker if evidence reveals a significant failure to follow regulations, and inspections of targeted industries and employers with poor occupational health and safety performance. During site visits, Occupational Health and Safety Officers also assist employers and employees in improving safety knowledge and standards in the workplace.

Employment Standards staff are responsible for the administration and enforcement of the *Employment Standards Code* and Regulation. This legislation establishes minimum standards of employment for most employers and employees working in Alberta. Employment Standards staff investigate registered complaints when employees believe they have received less than minimum employment standards and are unable to resolve the matter with their employer. Inspections are also carried out on targeted employers and industry sectors that have shown continued non-compliance with minimum employment standards.

Alberta Human Resources and Employment (AHRE) also provides occupational health and safety and employment standards information to Albertans in a variety of ways including telephone counselling services, access to comprehensive websites and counter service in major centres across Alberta.

Mediation Services

The Department seeks to promote positive relationships between unions and employers throughout Alberta. Mediation Services appoints mediators and arbitrators to assist in resolving disputes in accordance with the *Labour Relations Code*, the legislation governing labour relations in the province. These services are available to unions, employee associations and employers who have a bargaining relationship.

Mediation Services maintains a roster of independent mediators who are appointed at the request of either or both parties to assist in resolving collective bargaining disputes. The mediator meets with the parties in an effort to resolve issues in dispute and achieve a new collective agreement. Mediation is required by legislation prior to the parties being legally permitted to strike or lock out.

Mediation Services also administers a roster of independent arbitrators. An arbitrator is appointed by the Department when the parties have not been able to agree to one of their own

Workplace Policy and Standards Development

Workplace Policy and Standards Development (WPSD) is primarily responsible for the development of policy and legislation pertaining to Alberta's workplaces. The branch provides technical advice and information about workplace legislation and policy to stakeholders and interested members of the public who have concerns related to workplace health and safety, employment standards and labour relations. WPSD also provides information and addresses issues by means of publications and web-based tools, as well as administering a variety of programs which assist employers and workers and protect Albertans.

WPSD also administers all employment standards appeals arising out of Compliance Services. Appeals staff provide mediation services to non-unionized employers and employees to resolve disputes through negotiated settlements.

As part of WPSD Branch, Professions and Occupations (P&O) is responsible for nine Acts which govern 23 self-regulating professional associations. AHRE works closely with these associations to ensure they are governed in the public interest so that Albertans can access quality professional services.

P&O staff work with professional regulatory organizations, trades associations and other provincial and territorial governments to remove barriers that restrict the movement of qualified workers into Alberta and elsewhere in Canada. P&O staff also work with the Land Agent Advisory Committee to oversee the licensing and regulating activities of Alberta land agents, who negotiate interests in private land under the provisions of the *Land Agents Licensing Act*.

The Work Safe Alberta Secretariat facilitates various projects and working groups with industry, labour, safety associations and government where all parties work together to significantly reduce the incidence of work related injuries in Alberta. The secretariat is responsible for the coordination and monitoring of the Work Safe Alberta strategy.

Overview of AHRE's Divisional Functions

The Department of AHRE is composed of five divisions, aligned with its three core businesses of investing in people, skills and workplaces. The Department's programs and services are delivered regionally through a network of offices and centrally through a single unit. AHRE clients have multi-channel access to programs and services through the Service Alberta website and by telephone through a number of AHRE contact centers. In addition, mobile or itinerant services are available in many communities without service sites.

The Department's delivery network includes ties with training providers across the province, such as post-secondary institutions, private schools, high schools and contracts with private trainers. The Department also works with a variety of stakeholders such as industry, labour groups, professional associations, First Nations, Métis Settlements, community groups, federal and municipal governments, and other provincial departments.

AHRE's divisions are:

- Delivery Services
- People and Skills Investments
- Workplace Investments
- Strategic Services, and
- Corporate Services

Each division is supported by AHRE Communications.

All divisions have key activities relative to AHRE's core businesses and provide support to the Cross-Ministry Policy, Key Administrative and Emerging Strategic Initiatives.

Delivery Services Division

Delivery Services is the primary contact point for Albertans in accessing most of AHRE's programs, services and information. It is comprised of Service Delivery staff in six regions across the province and Centrally Delivered Services' Contact Centres.

People and Skills Investments Division

People and Skills Investments provides policy development for:

- Income Support
- Child Support Services
- Alberta Child Health Benefit
- Alberta Adult Health Benefit
- Career Information
- Work Foundations
- Training for Work
- Workforce Partnerships

Workplace Investments Division

Workplace Investments provides policy development and delivery for:

- Workplace Partnerships
- Workplace Health and Safety
- Employment Standards
- Mediation Services
- Professions and Occupations

Strategic Services Division

Strategic Services provides support across the Department for:

- Organizational Planning and Effectiveness
- Data Development and Evaluation
- Legislative Services
- Intergovernmental Relations and Immigration
- People, Skills and Workplace Resources

Corporate Services Division

Corporate Services provides support across the Department for:

- Human Resources
- Finance
- Information and Privacy Office (FOIP)
- Appeals Secretariat
- Information Management and Application Support

Communications

Communications provides strategic advice across AHRE by supporting the Minister and representing the department to Albertans through:

- Media relations, communications planning, advertising, public information and website information
- Correspondence coordinated by the Ministerial Correspondence Unit (MCU)
- Helping AHRE staff develop effective communications materials for their clients and stakeholders.

Personnel Administration Office (PAO)

Core Business 4:
PERSONNEL ADMINISTRATION OFFICE: *Strategic Leadership of Human Resource Management in the Alberta public service*

PAO is the corporate human resources arm of government. PAO works with departments to develop cross-ministry human resource strategies and policy frameworks in a variety of areas to support departments in achieving their business plan goals. PAO is also responsible for the delivery of strategic human resource support services.

PAO is organized into the following areas:

- Human Resource Policy and Consulting
- Corporate Human Resource Development
- Executive Search
- Information Management
- Human Resources and Communications and
- Finance and Administration Services

Human Resource Policy and Consulting

Human Resource Policy and Consulting develops human resource strategies and policy frameworks and provides expert consulting to departments in the areas of benefits, classification, compensation, labour relations and workplace health. This area conducts collective bargaining on behalf of the government as an employer and provides an employee assistance program for public service employees.

Corporate Human Resource Development

Corporate Human Resource Development develops human resource strategies and policy frameworks and provides expert consulting to departments in corporate human resource planning, staffing and workforce development, and performance management. This area also coordinates PAO's business planning and client satisfaction survey processes; provides support to the Deputy Minister Steering Teams for the Corporate Human Resource Development Strategy and Corporate Executive Development; and manages the Premier's Award of Excellence Program.

Executive Search

Executive Search provides a corporate search program to attract and recruit executive managers and senior officials; offers search consulting services to significant agencies, boards and commissions to recruit senior executives and board members; assists departments in facilitating internal and external moves; and coaches Corporate Executive Development Program participants on resume writing, interview preparation and follow-up.

Information Management

Information Management provides strategic information management services and business support services to PAO; co-ordinates the development and implementation of PAO's Information Management/Information Technology Plan; and provides information technology leadership to maximize the use of technology to support human resource programs.

Human Resources and Communications

The Human Resources office for PAO provides departmental human resource support, advice and leadership to PAO managers and staff. The Communications office provides communication services and support to the Minister, Public Service Commissioner and program areas of PAO.

Finance and Administration

PAO has had a shared service arrangement to receive finance and administration service since 1987. Strategic financial and administrative services and financial policy advice is received from Alberta Human Resources and Employment. Services such as account payable processing, library, mail and courier, accommodations and records management services are provided by the Ministry of Restructuring and Government Efficiency (formerly the Alberta Corporate Service Centre).

Alberta Labour Relations Board (ALRB)

Core Business 5:
ALBERTA LABOUR RELATIONS BOARD: *Labour Relations – Adjudication, Investigations and Mediation*

The Alberta Labour Relations Board is a quasi-judicial body responsible for the application and interpretation of Alberta's labour relations laws. Both the Minister and the Deputy Minister maintain an arm's length relationship with the Board.

Appeals Commission for Alberta Workers' Compensation (Appeals Commission)

Core Business 6:
APPEALS COMMISSION FOR ALBERTA WORKERS' COMPENSATION: *Appeal Services for Workers' Compensation Decisions*

The Appeals Commission is a quasi-judicial body that is the final level of appeal from decisions of the Workers' Compensation Board. It operates at arm's length from the Workers' Compensation Board and the government.

Workers' Compensation Board – Alberta (WCB)

The Workers' Compensation Board is an employer-funded organization providing employers and workers with efficient and affordable disability and liability insurance. The WCB is an independent, board-governed organization operating under the *Workers' Compensation Act*. It reports to the Minister of Alberta Human Resources and Employment and compiles a separate annual report. WCB financial statements are included in this annual report.

Occupational Health and Safety Council

The Occupational Health and Safety Council is composed of public, employer and worker representatives. The Council advises the Minister on matters pertaining to the health and safety of Alberta workplaces. The Council also hears appeals of orders given by Occupational Health and Safety Officers.

Council on Workplace Safety

The Council on Workplace Safety was established to oversee the current regulatory review process, examine issues and make recommendations to ensure Alberta's regulatory framework is effective in reducing workplace injuries and illnesses.

Ministry of Human Resources and Employment

Summary of Ministry Key Activities

- Department of Alberta Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)
- Appeals Commission for Alberta Workers' Compensation (Appeals Commission)

Alberta Human Resources and Employment

Alberta Human Resources and Employment (AHRE) serves Albertans by investing in people, skills and workplaces. Over the past year, AHRE invested over $713 million to provide programs and services in support of Alberta's prosperity and productivity through human capital development and workplace safety standards. The majority of AHRE's business plan performance targets were met or exceeded. Some of the highlights of the Department's strategic achievements in relation to its four business plan goals were:

Goal 1: Low-income Albertans can meet their basic needs

Alberta Works, an integrated system of supports, was fully implemented in 2004/05 including Income Support, Health Benefits, Child Support Services as well as Employment and Training Services. The Department provided immediate training referrals for income support applicants, focusing employment initiatives to those who can work.

Under the *Income and Employment Supports Act (IESA)*, AHRE implemented a number of additional supports during the fiscal year to assist low-income Albertans including: benefits to qualified clients who needed childcare while job-searching or working, an increase in income-qualifying levels for families applying for the Alberta Child Health Benefit (ACHB) and the Alberta Adult Health Benefit (AAHB), an extension of AAHB health benefits to young adults attending high school and a new benefit to clients escaping family violence. Client satisfaction with the ACHB was very high: 98%, exceeding the ambitious target of 95%.

AHRE offices across the province implemented changes to their front-end service delivery model to enable the immediate referral of Albertans to training before applying for income support and to focus employment initiatives towards helping those clients who can work to find work.

Goal 2: Albertans have the skills, supports and information they need to succeed in the labour market

The Skills Investment Strategy was successfully implemented in 2004/05 to strengthen programs that help individuals train for, find and keep employment. Eighty-one percent of people who participated in AHRE's training and employment services got a job. Almost $270 million was spent to train individuals, including funding for apprentices. A record 89,900 jobs were posted to Canada-Alberta JOBS, which introduced a new feature to match job seekers with potential employers. In addition, Department staff throughout the province provided timely and targeted services to the employees of mining, manufacturing and food processing businesses which were being impacted by downsizing and plant closures.

AHRE funded a work experience program for youth in Calgary with employers in the trades. Over 71% of the 29 young people who participated were hired at the end of the trades work experience program. In addition, 27 First Nations Training to Employment (FNTE) projects were completed throughout the province including training in petroleum well-drilling, construction trades, truck driving, and office work. Eighty-three percent of participants who completed FNTE were employed in their fields of training within three months after completion. The Department also released the publication *Integrating Skilled Immigrants Into the Alberta Economy* and entered into various agreements with local industry to assist immigrants in obtaining Canadian work experience and accessing formal certification information.

There were almost 2.3 million visits to the Alberta Learning Information Services (ALIS) website (an increase of almost 520,000 over the previous year) and over 1.6 million Albertans accessed services through AHRE's Labour Market Information Centres (LMICs) during the 2004/05 fiscal year. *CAREERinsite*, an electronic 5-step career planning process, was added to the ALIS website to help people link to relevant occupational options based on characteristics and interests, high school subjects or post-secondary programs.

Goal 3: Alberta has a productive workforce that meets the needs of the economy today and in the future

The Department of AHRE represented Canada at the 2004 International Labour Conference in Geneva which focused on human resource development and training. The Department also hosted a number of industry roundtable discussions in Alberta with representatives from those industries currently experiencing skill shortages. In 2004/05, the Department also partnered with the Alberta Hotel and Lodging Association, Alberta Food Processing Association, Alberta Restaurant and Foodservices Association, Canadian Manufacturers and Exporters and Petroleum Human Resource Sector Council to collaboratively support human resource development in addressing their skill shortages. A Job Expo/Career Fair in Calgary was sponsored by AHRE where more than 1,000 job seekers met with employers from retail, hospitality, transportation, and oil and gas sectors to discuss employment prospects and to interview for job opportunities.

In May 2004, AHRE released *Prepared for Growth: Building Alberta's Labour Supply - Report to Albertans* and a Youth Apprenticeship Project was initiated to increase the awareness of students in grades 7-12 of careers in the trades and agriculture.

AHRE provided funding for bridging programs that assist internationally trained professionals to upgrade their skills and acquire Canadian work experience. The Government of Alberta continued to provide $1.9 million to help new Alberta immigrants to integrate into their communities and the labour market.

Goal 4: Alberta has a fair, safe and healthy work environment

During the past year, AHRE published an updated edition of the *Occupational Health and Safety (OHS) Code Explanation Guide* which clarifies the content or application of the *OHS Code* requirements. Workplace Health and Safety officers performed over 3,000 inspections of targeted employers to address workplace safety injury prevention.

Since the start of the Work Safe Alberta initiative, the provincial lost-time claim rate has dropped from 3.4 injuries per hundred person-years worked in 2000 to its current all-time low of 2.6 in 2004 – Alberta's best safety performance in over a decade. This result is a phenomenal achievement given Alberta's booming economy and the increased number of inexperienced workers entering the workforce. A lost-time claim rate of 2.6 represents about 10,000 fewer lost-time injuries each year and over $150 million in direct WCB claims cost savings to employers.

In February 2005, AHRE confirmed an upcoming increase of nearly 20% in the minimum wage to $7.00 per hour from $5.90 per hour and consulted with the business community and Albertans to determine the optimal implementation approach.

The percentage of expired collective agreements that were settled in 2004/05 without a work stoppage was 99.4%. This is a substantial achievement considering the number of external factors influencing the measure, such as a low unemployment rate, a shortage of skilled workers in some sectors and high expectations of workers, as a result of growth in Alberta's economy.

The vision of Alberta Human Resources and Employment is clear – *"Alberta works because we invest in people."* In this past year, AHRE's strategic achievements demonstrate its success, leadership in labour force development and dedication in helping all Albertans.

Personnel Administration Office

The Government of Alberta, like other public and private sector employers, operates in a competitive labour market and needs to compete effectively for workforce talent. The Personnel Administration Office (PAO) works with ministries across government to lead the development of effective human resource strategies and policy frameworks and deliver strategic support services to meet this challenge.

Goal 5: An integrated, effective and enabling human resource management framework in the Alberta public service.

The Alberta public service human resource policy framework continues to address current and emerging human resource issues.

Information sessions were delivered to managers on topics including the code of conduct and ethics, due diligence, and the benefits of safe and healthy workplaces. Training was also provided to designated officers to assist them in resolving workplace grievances.

Significant progress was made converting non-management positions to the Point Rating Evaluation Plan (PREP). Almost 7,000 jobs for Subsidiary 001 (Administrative and Support Services) were evaluated. Cross-ministry collaboration and a streamlined process helped ensure the consistent application of the classification plan across ministries.

PAO continued to champion the Corporate Human Resource Plan and Corporate Human Resource Development Strategy, a cross-ministry initiative within the plan. Priorities for the Corporate Human Resource Plan in 2004/05 were: building capacity; attracting and retaining talent; promoting workplace health; leading the organization; and providing an enabling compensation and reward framework. PAO worked closely with all ministries to take a corporate and collaborative strategic approach to the development and implementation of human resource initiatives across government.

PAO established the Executive Director of the Human Resource Director's Council (HRDC) role in September 2004. This role is intended to help position the council to meet current and future human resource challenges by providing planning, change management and strategic support.

PAO continued to achieve high levels of client satisfaction with 79% of clients indicating they were satisfied with the strategies and policy frameworks developed by PAO and 92% indicating satisfaction with their working relationships with PAO.

Goal 6: A strong public service that is positioned to meet emerging and diverse government goals.

Succession management, capacity building and learning, attracting and retaining talent, performance management and recognition are all key to developing a strong public service.

In 2004/05, the Succession Management Framework was revised to demonstrate a more holistic approach to ensuring a continuous supply of the best talent and to better position the government to meet the challenges of an aging workforce. Corporate learning programs continued to be highly successful and were enhanced further to remain responsive to the professional development needs of public service employees.

Cross-ministry sessions for supervisors on coaching and recognition were held in Edmonton, Calgary and Grande Prairie with over 1,200 employees attending. Ninety-nine percent of survey respondents were satisfied with the sessions and indicated they could use the information to better coach and recognize staff.

Attraction and retention initiatives included development and implementation of a new marketing strategy to promote the Alberta public service as an employer of choice. The Ambassador Program continued to raise the profile of the Alberta public service as an exciting and rewarding place to work. Enhancements made to the Jobs website included a search and sort capability and a job posting subscription service. The website received 2.4 million hits in 2004/05. As of March 31, 2005, 85% of applicants were applying online for provincial government jobs.

An Employee Expo was held to internally market the public service as a positive long-term career choice for employees. The Expo showcased 40 booths from ministries and highlighted the numerous resources available to employees for personal and career development.

The tenth anniversary of the Premiers Award of Excellence (PAE) Program was celebrated in June 2004. Forty-three awards were given recognizing business excellence and superior performance in the Alberta public service.

Employee satisfaction with employment in the public service was at 79% which is significantly higher than the 68% rating that was reported when surveying began in 1996.

Goal 7: Safe and healthy workplaces in the Alberta public service.

The Workplace Health Framework, an integrated approach to providing a positive, safe and healthy work environment was implemented in early 2005. The Government of Alberta Occupational Health and Safety Program was updated including links to tools and supports for ministries including hazard assessment elimination and control, workplace violence, and emergency preparedness and response.

Approximately 6,065 public service employees were immunized for influenza in 2004/05. In October and November 2004, 188 clinics in 121 different locations were held across the province.

The Employee Support and Recovery Assistance (ESRA) Program offers professional health assistance to help employees who are ill or injured with their recovery. A marketing strategy was developed along with a streamlined process for contacting employees. Tools for managers/supervisors and an updated website for easier access to information were implemented.

A Workplace Health Conference was held in January 2005 with 772 participants. The conference featured sessions on health, wellness and safety topics, as well as a tradeshow to share information on health and wellness.

Alberta Labour Relations Board

The Alberta Labour Relations Board's (Board) key activities centered on its obligations to resolve issues arising from Alberta's labour relations legislation. The Board also arranged mediation services to deal with a number of outstanding issues relating to the implementation of the *Labour Relations (Regional Health Authorities Restructuring) Amendment Act* 2003.

Appeals Commission for Alberta Works' Compensation

While continuing the key activity of hearing initial appeals, many with multiple issues of appeal, the Appeals Commission continued to receive applications for reconsideration, requests for extension to the one-year time limit, investigations under the Office of the Ombudsman, and inquiries from the Office of the Information and Privacy Commissioner.

Auditor's Results

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

To the Members of the Legislative Assembly

In connection with performance information of the Department of Human Resources and Employment, the Personnel Administration Office, the Alberta Labour Relations Board and the Appeals Commission for the Alberta Workers' Compensation included in the *2004-2005 Annual Report of the Ministry of Human Resources and Employment*, I have:

Performance measures

1. Agreed information from an external organization to reports from the organization.

2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.

3. Checked that the presentation of results is consistent with the stated methodology.

4. Checked that the results presented are comparable to stated targets, and information presented in prior years.

5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

Supplemental information

6. Agreed the information to source reports. In addition, I checked that the supporting narrative is consistent with the information.

As a results of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance information included in the *2004-2005 Annual Report of the Ministry of Human Resources and Employment.*

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 11, 2005

Department of Human Resources
and Employment

INTEGRATED RESULTS ANALYSIS

- Integrated Results Analysis (Program and Financial)
- Results Analysis and Discussion

Integrated Results Analysis for Core Business:

PEOPLE INVESTMENTS

PROVIDING THE FOUNDATIONS FOR PEOPLE IN NEED

Goal 1: Low-income Albertans can meet their basic needs

Section Reference: *See Results Analysis and Discussion – Goal 1 section: Page 47*

PERFORMANCE MEASURES RESULTS		Target	Results	Variance
1.a	Relationship between clients receiving financial assistance and Market Basket Measure (MBM) low-income thresholds.	Measure under development		
1.b	Percentage of Child Support Services clients with potential for child support who have a support order or agreement when the Child Support Services file closes.	80%	78%	(2%)
1.c	Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children *(measure updated to better reflect program desired outcomes).*	New measure.	88%	n/a
1.d	Percentage of individuals receiving the Alberta Adult Health Benefit (AAHB) who indicate this coverage helped them obtain or maintain employment.	Measure under development.		
1.e	Satisfaction of individuals who have received selected income support and health benefit programs.			
	• Income Support	85%	72%	(13%)
	• Alberta Child Health Benefit recipient families	95%	98%	3%

SUPPLEMENTAL INFORMATION	2004/05	2003/04	Variance
1.1 **Caseloads (monthly average)**			
Integrated Income Support			
• People Working – Supplement to Earnings	4,350	4,423	(73)
• People Expected to Work	13,432	15,540	(2,108)
• People Not Expected to Work	11,153	9,299	1,854
• Widows' Pension	1,835	1,970	(135)
• Learners (annual total)	23,242	25,412	(2,170)
Alberta Child Health Benefit	66,914	64,579	2,335
Alberta Adult Health Benefit	1,842	1,131	711
Child Support Services	6,534	6,606	(72)

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	404,782	*See Supplemental Ministry Information Section*
	Actual Spending	435,671	
	Variance	(30,889)	

INTEGRATED RESULTS ANALYSIS

PEOPLE INVESTMENTS – PROVIDING THE FOUNDATIONS FOR PEOPLE IN NEED

The core business of "People Investments" is about providing income supports and other services to Albertans in need. The Department of Alberta Human Resources and Employment (AHRE) assisted low-income Albertans in supporting themselves and their families. This core business also supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Albertans will be healthy;
- Goal 3 – Alberta's children and youth will be supported in reaching their potential;
- Goal 4 – Albertans will be self-reliant and those unable to provide for their basic needs will receive help; and
- Goal 5 – Aboriginal communities and people in Alberta will have improved social and economic circumstances.

Progress towards these goals was achieved through AHRE's core businesses and through participation in cross-ministry initiatives, specifically the Health Sustainability Initiative, the Alberta Children and Youth Initiative, and the Aboriginal Policy Initiative.

Program over expenditures may have resulted from higher than budgeted combined caseloads (335 or 1.2% increase), budgeted health care costs ($8.2 million or 15.3% increase), additional discretionary benefits introduced in 2004-05 ($4.2 million), and utility arrears ($3.5 million).

In 2004-05, AHRE successfully completed the strategies and key initiatives for this core business. Through Alberta Works, an integrated system of supports including Employment and Training Services, Income Support, Health Benefits, and Child Support Services, the Department provided immediate training referrals for income support applicants, focusing employment initiatives to those who can work. Under the *Income and Employment Supports Act (IESA)*, AHRE implemented a number of additional supports during the fiscal year to assist low-income Albertans including: benefits to qualified clients who needed childcare while job-searching or working, an increase in income-qualifying levels for families applying for the Alberta Child Health Benefit (ACHB) and the Alberta Adult Health Benefit (AAHB), an extension of AAHB health benefits to young adults attending high school and a new benefit to clients escaping family violence.

Performance measure results for Child Support Services and ACHB remained high, although results for satisfaction with income support were in line with historically modest levels.

Alberta's population on January 1, 2005 was estimated to be 3,223,415, which represents a year-over-year increase of 1.4%, the strongest growth rate among the provinces, and showed a natural increase (births minus deaths) of 19,600 people. Alberta's economic growth also resulted in employment growth, with an increase of 40,000 jobs in 2004. Caseloads for income support and other services fluctuated as a result of the population and the economy's strength. For example, caseloads for people expected to work decreased as a result of employment opportunities and the Department's efforts to help clients meet their unique needs, while caseloads for people not expected to work increased in part because of Alberta's population growth and the elimination of the Transitional Support group, which contained many clients who met the Not Expected to Work criteria.

The AAHB caseload rose substantially in 2004-05 primarily due to the increase in income-qualifying levels by the Department prompted by the 1.4% rise in Alberta's consumer price index between 2003 and 2004 as well as an increase in promotional activities. The caseloads for learners decreased due primarily to a robust economy and high employment rates leading people to work instead of going to school. There was minimal variance in the number of Albertan's receiving the ACHB, Child Support Services, and supplement to earnings clients, as there were no significant changes to policy or services during the fiscal year.

Integrated Results Analysis for Core Business:

SKILLS INVESTMENTS

HELPING PEOPLE TO BE THEIR BEST AT LEARNING AND WORK

Goal 2: Albertans have the skills, supports and information they need to succeed in the labour market

Section Reference: *See Results Analysis and Discussion – Goal 2 section: Page 52*

PERFORMANCE MEASURES RESULTS		Target	Results	Variance
2.a	Percentage of participants employed post-intervention.	70%	81%	11%
2.b	Percentage of participants who indicate their training helped prepare them for future employment.	New measure.	87%	n/a
2.c	Satisfaction of individuals who have used:			
	• Work Foundations/Training for Work	95%	89%	(6%)
	• Career Development Services	85%	81%	(4%)
2.d	Percentage of clients satisfied with*:			
	• Labour Market Information Centre Services	95%	95%	—
	• Career Development Workshops	85%	81%	(4%)
	• ALIS (Alberta Learning Information Service) Website	85%	75%	(10%)
	• Job Order Bank Service	85%	82%	(3%)
	• Student Funding Contact Centre (SFCC)	New measure.	74%	n/a

* All surveys are based on a 4-point scale, with the exception of the ALIS and SFCC surveys, which are based on a 5-point scale.

SUPPLEMENTAL INFORMATION		2004/05	2003/04	Variance
2.1	Number of participants in Work Foundations/Training for Work programs and services.	38,656	40,875	(2,219)
2.2	Percentage of participants employed post-intervention by special group type.			
	• Youth (ages 16-24)	84%	84%	—
	• Aboriginal People	56%	58%	(2%)
	• Persons with Disabilities	62%	62%	—
	• Older Workers (ages 45+)	78%	76%	2%
	• Immigrants	77%	New measure.	n/a
2.3	Use of career and labour market information services:			
	• Career and Employment Counselling Sessions	43,377	43,568	(191)
	• Group Workshop Participants	43,244	45,019	(1,775)
	• Labour Market Information Centre Services	1,679,376	1,604,001	75,375
	• Canada-Alberta Job Order Bank Services	90,212	61,486	28,726
	• ALIS Website Visits	2,294,819	1,774,875	519,944
	• Career Information Hotline Requests	23,445	30,366	(6,921)
	• Information Resources Distributed (formerly called Career-Related Products Distributed)	756,884	722,132	34,752
	• Student Funding Contact Centre	150,072	New measure.	n/a

Goal 3: Alberta has a productive workforce that meets the needs of the economy today and in the future

Section Reference: *See Results Analysis and Discussion – Goal 3 section: Page 59*

PERFORMANCE MEASURES RESULTS		Target	Results	Variance
3.a	Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%.	20	24	(4)

SUPPLEMENTAL INFORMATION		2004	2003	Variance
3.1	Broad Occupational Categories with an unemployment rate below 3%.	*Unemployment Rate*		
	• Management Occupations	1.3%	1.4%	(0.1%)
	• Health Occupations	0.9%	1.2%	(0.3%)
	• Occupations in Social Science, Education, Government and Religion	2.5%	2.2%	0.3%

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	292,537	*See Supplemental Ministry Information Section*
	Actual Spending	277,618	
	Variance	14,919	

INTEGRATED RESULTS ANALYSIS

SKILLS INVESTMENTS – HELPING PEOPLE TO BE THEIR BEST AT LEARNING AND WORK

The "Skills Investments" core business is about helping individuals prepare for, train for, find and keep employment. It is also about working with industry and other partners to anticipate labour market trends and to address human resource development, labour shortages and skills deficits, workforce planning and productivity issues. This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 2 – Albertans will be well prepared for lifelong learning and work;
- Goal 3 – Alberta's children and youth will be supported in reaching their potential;
- Goal 4 – Albertans will be self-reliant and those unable to provide for their basic needs will receive help;
- Goal 5 – Aboriginal communities and people in Alberta will have improved social and economic circumstances; and
- Goal 7 – Alberta will have a prosperous economy.

This support was achieved via AHRE's core businesses and through participation in cross-ministry initiatives, specifically the Economic Development Strategy, the Alberta Children and Youth Initiative, and the Aboriginal Policy Initiative.

The Skills Investments core business shows a variance between planned and actual spending. This under-expenditure is due to decreased student enrollments and living allowance expenses associated with Work Foundations Training and Training for Work programs as well as decreased Apprenticeship training. This under-expenditure was offset with increased utilization of Career and Employment Assistance Services, Job Placement Services and Youth Connections.

Through Alberta Works, AHRE provided programs, services and information to support Albertans, including those with barriers to employment, to get the skills they need to find and keep a job, and helped employers meet their need for skilled workers. This included assistance for adults to get the academic upgrading, language courses or job skills training.

AHRE successfully completed or made significant progress towards the strategies and key initiatives under this core business. Through the continued implementation of the Skills Investment Strategy, revisions to part-time and occupational training programs resulted in more efficient training and enabled Albertans to reach employment more rapidly. Results for 'participants employed post-intervention' (81%) and those who indicated 'their training helped them prepare for future employment' (87%), along with good satisfaction rates (ranging from 74% to 95%) demonstrate the Department's success in providing these services.

AHRE worked with industry to identify significant labour market trends and developed print and electronic information resources for employers, employees, and students on subjects ranging from career and education options to employment standards information. In 2004, the Department hosted industry roundtables on issues related to skill shortages and relationships were sustained or expanded with employers to promote participation and investment in workforce development. Job/career fairs were also held throughout the province to bring employers and job seekers together.

Demand for self-service options, such as Labour Market Information Centres, Job Order Bank Services, and the ALIS website continued to grow in 2004/05. This increase is possibly due to expanded efforts to advertise the services as well as the total net migration (net inter-provincial migration and net international migration) of 24,758 new Albertans in 2004. Added to this, Alberta had a 4.4% growth in GDP, an increase of 44,400 in the working-age population, and a labour force participation rate that remained at 73.6% from 2003, the highest in Canada. During this same period, demand for workshops and longer-term training decreased slightly, likely a result of a booming economy and low unemployment rates.

AHRE also supported various partnerships and committees to further enhance Alberta's human resources including:

- The Youth in Transition cross-ministry committee, which worked to ensure youth received the support they need to stay in school (e.g., enabling ongoing financial support to qualified 16 and 17 year old learners and waiving certain criteria to provide financial support to eligible students completing high school), and to obtain life skills and work experience.
- Industry and various government departments, which resulted in various agreements to assist immigrants to obtain Canadian work experience and information on certification options. Further to this, AHRE funded bridging programs to assist internationally trained professionals to upgrade their skills and acquire Canadian work experience.
- Alberta's Aboriginal population, employers and educational institutions, which resulted in training to employment projects and financial assistance for academic upgrading.
- Mining, manufacturing and food processing businesses impacted by downsizing and plant closures to ensure Albertans received timely and targeted training, which enabled reintegration into the workforce.
- The Federal government to design the Canadian Agricultural Skills Service program, to prepare for provision of training to lower income farm families enabling them to enhance their financial position.

Despite these and other efforts, the skill shortage target of 20 "occupational groupings that are in a skill shortage situation" was not achieved. There are a number of external factors that contributed to the result, including a drop in Alberta's average unemployment rate in 2004 to 4.6%, from the 2003 rate of 5.1%. Specifically, the unemployment rates for both youth (ages 15-24) and older workers (age 45-64) decreased to 8.5% in 2004 (from 9.2% in 2003) and to 3.3% in 2004 (from 3.8% in 2003), respectively, and the unemployment rate for off-reserve Aboriginal people in Alberta was 9.2% in 2004, down from 9.8% in 2003. These low unemployment rates, a reflection of a strong economy, are positive factors for Albertans looking for work, but skill shortages emerge for employers when unemployment rates are below 3% for specific occupational groupings.

Integrated Results Analysis for Core Business:

WORKPLACE INVESTMENTS

SUPPORTING WORKPLACES TO MAKE ALBERTA PROSPEROUS

Goal 4: Alberta has a fair, safe and healthy work environment

Section Reference: *See Results Analysis and Discussion – Goal 4 section: Page 63*

PERFORMANCE MEASURES RESULTS		Target	Results	Variance
4.a	Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked.			
	• Lost-Time Claim Rate (data based on calendar year)	2.0 or lower	2.6	(0.6)
	• Annual change in number of Lost-Time Claims (adjusted for change in size of workforce)	New measure.	(4,065)	n/a
4.b	Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).	98%	99.4%	1.4%
4.c	Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.	New measure.	97.6%	n/a
4.d	Satisfaction of individuals who have used selected workplace programs and services:			
	• Mediation Services	New measure.	92%	n/a

SUPPLEMENTAL INFORMATION		2004/05	2003/04	Variance
4.1	Percentage change in the lost-time claim rate for targeted employers – employers with a poor health and safety record.	(26.1%)	New measure.	n/a
4.2	Percentage of the public aware of workplace health and safety.	90%	82%	8%
4.3	Percentage change in the number of Certificate of Recognition (COR) holders.	8%	10%	(2%)
4.4	Lost-Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sections:	*2004/05 COR:*	*2004/05 non-COR:*	*Variance*
	• Alberta Construction Safety Association Industries	2.5	4.0	1.5
	• Upstream Oil and Gas Industries	1.7	1.0	(0.7)
	• Steel and Metal Fabrication Industry	4.1	6.9	2.8
4.5	Use of workplace information services:	*2004/05*	*2003/04*	*Variance*
	• Employment Standards Contact Centre	140,971	143,907	(2,936)
	• Workplace Health and Safety Contact Centre	22,113	22,226	(113)
	• Employment Standards Website Visits	984,506	n/a	n/a
	• Workplace Health and Safety Website Visits	1,697,017	n/a	n/a

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	23,422	*See Supplemental Ministry Information Section*
	Actual Spending	25,227	
	Variance	(1,805)	

INTEGRATED RESULTS ANALYSIS

WORKPLACE INVESTMENTS – SUPPORTING WORKPLACES TO MAKE ALBERTA PROSPEROUS

The "Workplace Investments" core business is about developing and delivering programs and services in order to contribute to workplaces that are healthy, fair, safe and stable for both employees and employers. This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Albertans will be healthy;
- Goal 7 – Alberta will have a prosperous economy; and
- Goal 9 – Alberta will be a fair and safe place to work, live and raise families.

The Department contributed to these goals through its core businesses and participation in the Health Sustainability and Economic Development Strategy cross-ministry initiatives.

Workplace Investments over-expenditure resulted from increased costs for inspectors' overtime, standby salary, safety equipment and travel costs associated with the Work Safe Alberta initiative.

AHRE had many successes in the implementation of the strategies and key initiatives for this core business. Work continued on a number of fronts in the implementation of the Work Safe Alberta strategy to reduce injuries and fatalities on Alberta worksites. In addition to training provided to employers on the updated *Occupational Health and Safety (OHS) Code* which took effect in 2004, AHRE also published an updated edition of the *Occupational Health and Safety Code Explanation Guide*, posted a Small Business Toolkit for Health and Safety on the Workplace Health and Safety website, and continued to work with industry partners on a number of public awareness campaigns. The Department continued to perform targeted inspections on companies with lost-time claim rates significantly higher than the provincial rate. While the ambitious target of "2.0 or lower" lost-time claim rate was not met this year, these efforts resulted in a further decrease in the provincial lost-time claim (LTC) injury rate to 2.6 injuries per 100 person-years worked. A lost-time claim rate of 2.6 represents about 10,000 fewer lost-time injuries each year and over $150 million in direct annual WCB claims cost savings. The economic environment affects workplace measures: increased economic activity can particularly impact the number of workplace injuries, as a robust economy tends to result in younger workers with less work experience entering the workforce. Less experienced workers are more likely to be injured on the job.

In 2004/05, 99.4% of collective agreements were settled without a legal work stoppage and a survey of individuals who used AHRE's mediation services to resolve collective bargaining disputes showed a 90% satisfaction rate, evidence of the quality of services rendered. These outstanding results were achieved during a time when Alberta had the strongest 2004 GDP growth of all provinces at 4.4%, the highest productivity level in Canada, and experienced an average hourly wage increase of 7.7% over the previous year; all factors that typically lead to labour shortages and skills deficits, wage demands and more pressure on the workplace. In February 2005, AHRE confirmed an upcoming increase of nearly 20% in the minimum wage to $7.00 per hour from $5.90 per hour.

The Department continued to register, investigate, and resolve employment standards complaints. Through these compliance and educational efforts, the "percentage of employers whose employment practices resulted in no complaints" was high at 97.6%. The Employment Standards and the Workplace Health and Safety Contact Centres continued to experience strong demand for their services to provide employers and employees with general information about Workplace Health and Safety and Employment Standards legislation. The Employment Standards and Workplace Health and Safety websites received just under 3 million visits and their contact centres answered 140,971 and 22,113 calls, respectively.

Department of Alberta Human Resources and Employment

Detailed Program Results Analysis and Discussion

Goal 1: Low-income Albertans can meet their basic needs

What it means

Albertans who are unable to provide for their basic needs will receive help. Government, community and business resources are available to assist those in need. The Department, through *Alberta Works*, provides income support, health benefits and other services to low-income Albertans so they can meet their basic needs and be as independent as possible.

STRATEGY 1.1
Provide income support, health benefits and other services to meet the basic needs of Albertans who are eligible to receive income support.

As part of Alberta Works, Alberta Human Resources and Employment (AHRE) improved the income support, health benefits, child support services, and other services provided to meet the basic needs of Albertans. Benefits are now provided to income support clients who needed babysitting for their children while job-searching or working. Also, special provisions were made to provide transitional benefits for clients in addictions treatment.

In addition to these program improvements, AHRE offices across the province implemented changes to their front-end service delivery model to enable the immediate referral of Albertans to training before applying for income support and to focus employment initiatives towards helping those clients who can work find jobs. To enhance access to services, Alberta Works learner clients are now able to obtain information on funding and benefits in person at AHRE services centres, on the Department's website and, effective May 2004, through training providers and the Learner Income Support Centre.

STRATEGY 1.2
Provide health benefits and other services to enhance the independence of low-income Albertans who do not receive income support.

To make health benefits available under the *Income and Employment Supports Act (IESA)* accessible to more Albertans, income qualifying levels for both the Alberta Child Health Benefit (ACHB) and the Alberta Adult Health Benefit (AAHB) were increased by $2,000 for each family size. Under Alberta Works, the Department also expanded both the ACHB and the AAHB programs to include provincially-funded (non-EI) full-time and part-time learners that started training on or after August 1, 2004, as well as 18 and 19 year olds who are living with their parents and attending high school. In an ongoing effort to raise awareness of the ACHB program information and promotional packages were sent to thousands of households, health service providers, school boards, day care centres, social service agencies and various non-profit organizations throughout the province.

The Department also provided Child Support Services under the *IESA* to AAHB recipients, clients who had recently left Income Support, and other low-income Albertans who met the regulated income and suitability criteria.

STRATEGY 1.3
(Key Initiative – Low Income Review)
Implement the income supports and services enabled by the *Income and Employment Supports Act*.

Alberta Works was fully implemented in 2004/05. Effective May 1, 2004, the *Income Supports and Benefits Regulation (ISBR)* was implemented for qualified Albertans expected to work, not expected to work, and for full-time and part-time learners receiving income support and/or a training allowance. Introduced as part of the implementation of Alberta Works, additional benefits under the *ISBR* included a $1,000 benefit to clients escaping family violence; a $100 per month benefit for certain clients living with family; a $50 per month benefit increase for some clients who were temporarily not expected to work; coverage provisions for babysitting by family members; improved rates for clients requiring special medical diets; and an increase to the transportation allowance. Since April 2004, in excess of $1.6 million has been provided to help over 1,600 families establish homes in a place of safety after having escaped a situation involving family violence.

The Department also introduced a flat-rate shelter policy for all income support clients which enabled them to have greater control of their shelter situations, and new agreements were completed enabling Alberta Aboriginal bands to deliver income support benefits to their off-reserve members.

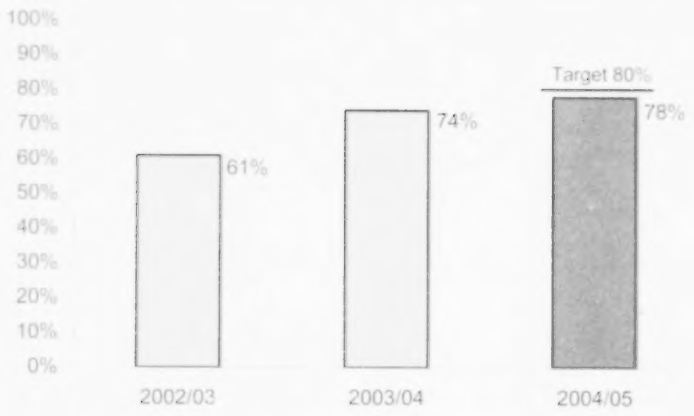
PERFORMANCE MEASURE 1.a
Relationship between clients receiving financial assistance and the Market Basket Measure (MBM) low-income thresholds.
(Under development)

Data from Human Resources and Skills Development Canada continues to be unavailable on a timely basis. Further work to identify an alternative measure is being completed. This measure is not in the 2005-08 Business Plan.

ANALYSIS OF PERFORMANCE MEASURE RESULTS
Not applicable for 2004/05.

PERFORMANCE MEASURE 1.b
Percentage of Child Support Services* clients with potential for child support who have a support order or agreement when the Child Support Services file closes.

* *Formerly known as Family Maintenance.*



Source: Alberta Human Resources and Employment: Tracking of Maintenance Information System (TOMIS).
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

While the target of 80% was not met, results for this performance measure have been steadily increasing each year, from 61% in 2002/03 to a high of 78% in 2004/05. With the implementation of the *Income and Employment Supports Act* in 2004, the Department can now continue to provide Child Support Services to low-income single parents and blended families to obtain the child support they should be receiving from the other parent even after conclusion of income support benefits. The legislation also ensured Child Support Services could protect the privacy of third parties who provide contact information so that parents can meet their child support responsibilities to the best of their ability.

PERFORMANCE MEASURE 1.c
Percentage of parents whose children have medical coverage under the Alberta Child Health Benefit (ACHB) program who indicate this coverage helped them obtain or maintain employment.
(Under development)

	2004/05	Target
Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.	88%	New measure in 2005-08 Business Plan.

Source: Alberta Human Resources and Employment: Alberta Child Health Benefit survey.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

This measure was under development in the 2004-07 Business Plan, and was replaced in the 2005-08 Business Plan, with: Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children. The survey question asked respondents if the ACHB program helped their children get dental, optical (eye care and glasses), and prescribed drugs that they would not otherwise be able to receive. Eighty-eight (88) percent of respondents agreed with this statement. Clients felt that their children received the health benefit services that were needed, and the vast majority of respondents (93%) agreed that the ACHB program has helped improve their family's financial situation.

PERFORMANCE MEASURE 1.d
Percentage of individuals receiving the Alberta Adult Health Benefit (AAHB) who indicate this coverage helped them obtain or maintain employment.
(Under development)

This performance measure was proposed in advance of the full design and implementation of the *Income and Employment Supports Act*. In review of program objectives, it was determined that this measure did not adequately reflect the intended outcome of the AAHB program. This measure is not in the 2005-08 Business Plan.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Not applicable for 2004/05.

PERFORMANCE MEASURE 1.e
Satisfaction of individuals who have received selected income support and health benefit programs.

	2001/02	2002/03	2003/04	2004/05	Target
Income Support	Data source has changed and datum based on the present methodology are not available.		78%	72%	85%
Alberta Child Health Benefit	Data collected Biennially	99.5%	Data collected Biennially	98%	95%

Sources: Alberta Human Resources and Employment – Infopac, Work Outcome Reporting Project (WORP), and program surveys.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Client satisfaction with Income Support was moderate, with 72% of clients satisfied. This result is a 6% decrease over 2003/04 results and may reflect dissatisfaction with benefit levels or conclusion of benefits rather than with actual services received.

The ACHB program makes a difference for children of low-income families in Alberta by improving their family's financial situation and enabling them to access health benefits that they would not otherwise receive. In 2004/05, client satisfaction with the ACHB program was 98%, exceeding the 95% target.

SUPPLEMENTAL INFORMATION 1.1
Caseloads

Caseloads *(monthly average)*	2002/03	2003/04	2004/05
Supports for Independence	28,168		n/a*
Integrated Income Support			
People Working – Supplement to Earnings		4,423	4,350
People Expected to Work	n/a *	15,540	13,432
People Not Expected to Work		9,299	11,153
Widows' Pension	2,089	1,970	1,835
Learners (annual total)	n/a *	25,412	23,242
Alberta Child Health Benefit **	n/a	64,579	66,914
Alberta Adult Health Benefit	628	1,131	1,842
Child Support Services	6,456	6,606	6,534

Source: Alberta Human Resources and Employment: Info Pac, Widows' Pension System, and Alberta Child Health Benefit. Alberta Advanced Education: Advanced Education Student Finance System.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix F.

* Due to the recently introduced *Income and Employment Supports Act*, caseloads are reported under different groupings. The caseload formerly known as Supports for Independence is no longer available. The new income supports benefit structure was implemented for "expected to work" and "not expected to work" client groups for the May 2004 benefit period. "Learners" received income support and training benefits under the new Act in August 2004. Caseloads for 2003/04 were restated to allow for comparison of caseloads between 2003/04 and 2004/05.

** To align caseload reporting with that of other programs, caseloads are now reported as monthly average instead of caseload at year-end. Caseload was restated for 2003/04 to align with the 2004/05 reporting methodology. Data for 2002/03 is not comparable to subsequent years, so it is not reported.

ANALYSIS OF SUPPLEMENTAL INFORMATION

With the implementation of the *Income and Employment Supports Act (IESA)* in January 2004, employment and training services, income support, health benefits, and child support services were consolidated under the umbrella of Alberta Works. The goal is to help unemployed people find and keep jobs in their communities, help low-income Albertans cover their basic costs of living and help employers meet their need for skilled workers.

Integrated Income Support:
Albertans who qualify for integrated Income Support are assessed into one of the following client categories.

- **People Working – Supplement to Earnings**. In 2004/05, there was a 2% net decrease (an overall decrease of 73 cases) in the monthly average number of Albertans receiving income support as a supplement to their earnings.
- **People Expected to Work.** For clients who are expected to work (clients actively looking for employment), the monthly average caseload decreased by 2,108 cases, a decrease of 13.6%. This reduction reflects the level of employment opportunities that exist in Alberta and the Department's effort to help clients meet their unique needs, which is often through immediate employment support.
- **People Not Expected to Work**. This category includes Albertans who have difficulty working because of chronic mental or physical health problems or because of multiple barriers to employment. In 2004/05, there was a 20% increase in the monthly average caseload (an increase of 1,854 cases). Part of this increase results from a rise in Alberta's population and the elimination of

the Transitional Support group, which contained many clients who met the Not Expected to Work criteria.

- **Widows' Pension.** As of April 1, 2004, the Alberta Widows' Pension was replaced under the *IESA* and therefore no longer accepted new applications.
- **Learners.** This category includes those clients who need academic upgrading or training. The number of Learners decreased in 2004/05 by 8.5%, a reduction of 2,170 people. The robust economy and higher employment rates contributed to the decreased training demands.

Alberta Child Health Benefit:
The Department's efforts to promote the ACHB program were successful as enrolment in the ACHB rose by 3.6%. AHRE was able to support almost 67,000 children living in low-income families.

Alberta Adult Health Benefit:
In an effort to promote movement into the labour force, certain participants qualify for the AAHB after their income support file has closed, allowing former income support clients to continue to have health benefits while moving into entry level jobs. The monthly average caseload for AAHB grew by 63% over 2003/04 levels, an increase of 711 adults.

Child Support Services:
The Child Support Services program assists parents in obtaining child support orders or agreements for dependent children from non-custodial parents. The majority of people served are clients receiving income support benefits. The Child Support Services caseload decreased slightly by 1% in 2004/05 compared to the previous year.

Goal 2:

Albertans have the skills, supports and information they need to succeed in the labour market

What it means

Albertans are the province's most important resources. They will continue to acquire the knowledge and skills they need to identify and participate in future opportunities, and be self-reliant and contributing members of society. The Department, through *Alberta Works* and other programs, supports Albertans, including those with barriers to employment, to get the skills, services and information they need to find and keep a job.

STRATEGY 2.1
Provide programs and services to help Albertans develop skills, find and keep employment, manage their careers and adapt to the changing labour market.

During the 2004/05 fiscal year, over 23,000 individuals accessed career and labour market information services through the Career Information Hotline and a record 89,900 jobs were posted to Canada-Alberta JOBS, which introduced a new feature to match job seekers with potential employers. The Department expanded part-time and occupational training for Albertans and revisions were made to program policies for Basic Skills, Academic Upgrading, English as a Second Language, Transitional Vocation Program, and Occupational Training to enable clients to engage in condensed learning and reach employment sooner. Throughout Alberta, a number of occupational skills training programs were launched to address labour market demands and potential future shortages. As well, AHRE provided timely and targeted services to the employees of mining, manufacturing and food processing businesses, which were being impacted by downsizing and plant closures.

STRATEGY 2.2
Provide programs and services to assist youth, immigrants, Aboriginal people, older workers, and persons with disabilities to develop skills to increase their labour force participation.

The Department supported the Youth in Transition cross-ministry committee and various work experience programs, including an AHRE-funded three-week work experience program in Calgary with employers in the trades. Over 71% of the participants (29 young people) were hired at the end of the trades work experience program. Through the Youth Employment Program, Youth Apprenticeship Program, Job Safety Training for Youth, and First Nations Training to Employment Program, youth across Alberta were provided with exposure to the construction industry, firefighting training, career in the trades, and worksite safety.

Working with First Nations and industry groups, 27 First Nations Training to Employment projects were completed including training in petroleum well drilling, construction trades, truck drivers, and office work.

In collaboration with other departments, AHRE released *Integrating Skilled Immigrants Into the Alberta Economy*, which focuses on the economic integration of Albertans with an international credential. The Department also entered into various agreements with local industry to assist immigrants in obtaining Canadian work experience and accessing formal certification information.

The Department also established new labour market partnerships to promote employment for persons with disabilities, and led a cross-ministry team in planning demonstration projects to improve the employment situation of persons with disabilities through the implementation of an integrated learning and employment supports model.

STRATEGY 2.3
Provide Albertans with current career and labour market information.

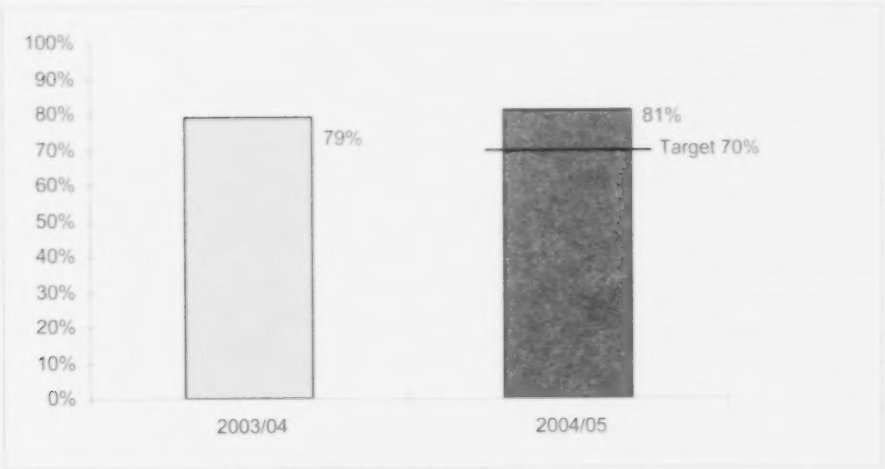
During the 2004-05 fiscal year, Albertans made over 1.6 million visits to access career and labour market information services through AHRE's Labour Market Information Centres (LMICs). New print and electronic information resources for Albertans were developed, including *Working in Alberta: A guide for internationally trained and educated immigrants; Alberta Careers Update 2004; Skills by Design: Strategies for employee development; A Guide to Rights and Responsibilities in Alberta Workplaces;* and *Time to Choose a Post-Secondary Education Program.* New electronic resources were also added to the Alberta Learning Information Service (ALIS) website, including *CAREERinsite*, which guides people through a 5-step career planning process, and new features that help people link to relevant occupational options based on characteristics and interests, high school subjects or post-secondary programs. The ALIS website had more than 2 million visits from Albertans and was recognized with top honours in Alberta's service to the public: a Gold Premier's Award of Excellence.

STRATEGY 2.4
(Key Initiative – Skills Investment Strategy)
Continue to implement the Strategy to support the development and maintenance of a skilled workforce, and to address labour shortages and skills deficits in Alberta.

The Skills Investment Strategy was successfully implemented to strengthen programs that help individuals train, find and keep employment by ensuring these services are responsive to client needs and the skills requirements of a changing labour market. In 2004/05, almost $270 million was spent to train individuals, including funding for apprentices. The Department negotiated and signed 45 Accountability Framework Agreements with tuition-based providers. These agreements ensure there is a focus on accountability and responsible financial management of the new skills investment programs and services, and create a better understanding of the short, medium and long-term desired outcomes for clients.

AHRE completed a review of tuition fee and case management policies with training providers, as well as a review of programs and services for Employment Insurance clients. Regional forums and information sessions were conducted with both public and private service providers. These forums and information sessions focused on the implementation of the strategy and the changes being introduced for adult learners receiving income support and benefits for training.

PERFORMANCE MEASURE 2.a
Percentage of participants employed post-intervention.



Sources: Alberta Human Resources and Employment, Alberta Advanced Education and Human Resources and Skills Development Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Over 38,000 learners participated in Job Placement, Self Employment, Skills for Work, Training on the Job, Skills Development, and Temporary Employment programs during the time the Work Outcomes Reporting Project survey results for this measure were collected.

The overall employment results of Albertans who participated in AHRE's employment and training programs was 81%, exceeding the target by 11%. A strong economy is a key determinant of whether individuals obtain work once they are trained. Results may also vary between years and programs, depending on the types of clients entering the programs. For example, Employment Insurance (EI) clients have more recent work histories that help their return to the labour market. Individuals unable to find work in today's favorable economic conditions often have multiple barriers, which require intensive investments.

PERFORMANCE MEASURE 2.b
Percentage of participants who indicate their training helped prepare them for future employment.

	2004/05	Target
Percentage of participants who indicate their training helped prepare them for future employment.	87%	New measure. Target to be determined.

Sources: Alberta Human Resources and Employment – Career Assistance Information System (CAIS) and Work Outcome Reporting Project (WORP).
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

AHRE's labour market employment and training programs are designed to help Albertans obtain and maintain employment. Results indicate that 87% of program participants felt that their training prepared them for future employment or for future training. (Note: In certain cases, clients require further training to become employable.) This favourable result is attributable to the combination of a strong career and labour market information service for learners, a comprehensive and balanced set of basic skills training programs closely linked to the labour market, and an increased emphasis on occupational training.

PERFORMANCE MEASURE 2.c
Satisfaction of individuals who have used:

	2003/04	2004/05	Target
Work Foundations/Training for Work (formerly known as Employment/Training Programs)	87%	89%	95%
Career Development Services (formerly known as Career and Employment Assistance Services – CEAS)	83%	81%	85%

Sources: Alberta Human Resources and Employment – Career Assistance Information System (CAIS), Work Outcome Reporting Project (WORP), and program surveys.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

While client satisfaction with Work Foundations and Training for Work programs of 89% fell short of the target of 95%, it represented an increase over the previous year's result of 87%.

Client satisfaction with Career Development Services (CDS) was 81%, which is slightly below the 85% target. This decrease in relation to the 2003/04 result of 83% may be associated with the decrease in satisfaction with Career Development Workshops (from 89% in 2003/04 to 81% in 2004/05), which is a key component of CDS. Further analysis will be completed to determine specific factors influencing results.

PERFORMANCE MEASURE 2.d
Percentage of clients satisfied with:

Satisfaction with:*	2001/02	2002/03	2003/04	2004/05	Target
Labour Market Information Centre Services	95%	94%	Data Collected Biennially	95%	95%
Information Materials and Tools	n/a	Data Collected Biennially	99%	Data Collected Biennially	n/a
Career Information Hotline	96%	Data Collected Biennially	92%	Data Collected Biennially	n/a
Career Development Workshops**	89%	89%	89%	81%	85%
ALIS (Alberta Learning Information Service) website	No historical data	n/a***	Data Collected Biennially	75%	85%
Job Order Bank Services (JOBS)	Data Collected Biennially	n/a	Data Collected Biennially	82%	85%
Student Funding Contact Centre**** (new measure)	New measure. No historical data available.			74%	New measure. Target to be determined

Source: Alberta Human Resources and Employment.
* All surveys are based on a 4-point scale, with the exception of the ALIS and SFCC surveys, which are based on a 5-point scale.
** As 2004/05 results can vary by plus or minus 10%, interpret results with caution.
*** Previous results, as reported in the 2003/04 AHRE Annual Report, are not comparable to the 2004/05 results reported above, due to differences in methodology.
**** Data is collected biennially. This measure will be reported on in the 2006/07 Annual Report.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Labour Market Information Centre (LMIC) Services provide information to help Albertans make career, learning and work decisions. In 2004/05, AHRE met the target of 95% of LMIC users satisfied with services, which is a slight increase over the 2002/03 result of 94%.

Satisfaction with Career Development Workshops fell short of the target of 85%. Of the respondents, 81% expressed overall satisfaction (satisfied or very satisfied) with the service they received at the Career Development Workshops offered at Labour Market Information Centres (LMICs) throughout the province. While results are lower than previous years, overall satisfaction still continues to be high. The decrease in satisfaction in 2004/05 may be related to changes in service provision. Clients who are required to attend a career workshop as part of their eligibility for income support may have impacted the overall satisfaction result, as these clients may have greater barriers to employment. Also, when different client groups attend the same workshop, different expectations and needs may affect satisfaction levels. Results showed that those who were satisfied with the overall services were also more likely to be satisfied with the helpfulness of staff (94%), advice and/or counselling received (95%), and with the information received (96%).

The Job Order Bank Service (JOBS) is a service for Alberta employers and job seekers; organizations can post job opportunities, free of charge, while job hunters can access the online postings. Of the employers that use JOBS, 82% were satisfied with the overall service they received, which was below the 85% target. Satisfaction was highest among employers who had hired candidates through JOBS (92%) and those employers who had success were more likely to use the service again.

The Alberta Learning Information Service (ALIS) Website provides information and resources about education, careers, and employment. Nearly three-quarters (75%) of respondents who had applied for financial assistance to attend school were satisfied with their access to ALIS. Future surveys will include a broader range of ALIS clients to also capture satisfaction of job seekers, workers, departmental clients, career practitioners, educators and high school and post-secondary students.

The Student Funding Contact Centre (SFCC) was recently established and responds to telephone and e-mail inquiries from Albertans, educational institutions and government departments regarding specific student funding programs. Survey respondent satisfaction with the new SFCC in 2004/05 was 74%. Feedback provided in the survey document is being used by the Department to enhance SFCC services and improve future client satisfaction levels.

SUPPLEMENTAL INFORMATION 2.1

Number of participants in Work Foundations/Training for Work programs and services.

Learners	2001/02	2002/03	2003/04	2004/05
All Participants	41,112	43,172	40,875	38,656

Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Work Foundations/Training for Work programs and services provide clients with supports to quickly re-enter the workforce. During the time the Work Outcomes Reporting Project survey results for this measure were collected, about 38,700 learners participated in Work Foundation/ Training for Work programs. This lower participation figure can be primarily attributed to the strong economy and the ability of Albertans to obtain employment without the need for additional training.

SUPPLEMENTAL INFORMATION 2.2

Percentage of participants employed post-intervention by special group type.

	2002/03		2003/04		2004/05	
Special Groups	# of Learners	% Employed	# of Learners	% Employed	# of Learners	% Employed
Youth (ages 16-24)	19,174	79%	17,366	84%	18,063	84%
Aboriginal people	5,623	51%	5,483	58%	5,492	56%
Persons with Disabilities	1,877	54%	1,841	62%	1,358	62%
Older Workers (ages 45+)	5,533	67%	5,387	76%	4,808	78%
Immigrants	New measure. No historical data available.				4,983	77%

Notes: Individuals may be counted in more than one group.
Source: Alberta Human Resources and Employment, Alberta Advanced Education, and Human Resources and Skills Development Canada.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Service volumes are an indication of the demand for AHRE's programs and services among special group populations in Alberta.

For youth (aged 16 – 24) participating in AHRE's employment and training programs and Job Placement in 2004/05, 84% were employed post-intervention (the same result as 2003/04). During this time, the youth unemployment rate remained low (from 9.2% in 2003 to 8.5% in 2004).

Results for older workers (aged 45 and over) show that 78% of participants were employed post-intervention, a two percentage point increase over 2003/04 results. This can be compared to the unemployment rate for this group, which decreased from 3.8 % to 3.3% between 2003 and 2004.

The number of Aboriginal participants employed post-intervention was 56%, which is similar to the previous year.

The number employed post-intervention for persons with disabilities was 62%, the same as in the previous year. The robust economy continued to be a positive factor in providing expanded employment opportunities.

Immigrants are a source of skilled labour for addressing labour market and skill shortages. In 2004/05, 77% of immigrants were employed after accessing AHRE programs and services.

SUPPLEMENTAL INFORMATION 2.3
Use of career and labour market information services:

Information Services	2001/02	2002/03	2003/04	2004/05
Career and Employment Counselling Sessions	36,275	42,588	43,568	43,377
Group Workshop Participants	39,018	40,224	45,019	43,244
Labour Market Information Centre Services	1,005,246	1,361,249	1,604,001	1,679,376
Canada-Alberta Job Order Bank Services	52,392	55,737	61,486	90,212
ALIS Website visits	1,238,965	1,486,341	1,774,875	2,294,819
Career Information Hotline Requests	30,374	31,284	30,366	23,445
Information Resources Distributed (formerly called number of Career-Related Products Distributed)	638,347	797,677	722,132	756,884
Student Funding Contact Centre	Centre opened in 2003/04			150,072

Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Demand for various career and labour market information services continues to rise as Labour Market Information Centres (LMICs), the Canada-Alberta Job Order Bank and ALIS services experienced increased usage. The number of job ads posted on the Canada-Alberta Job Order Bank, in particular, increased substantially due to Alberta's booming economy and increased employer requirements to hire skilled individuals.

Visitor sessions to the ALIS website increased to almost 2.3 million, as users were accessing information on career choices, post-secondary education and training, educational funding, job search, and labour market trends. Increasingly, Albertans are using online resources, via the ALIS website, as a primary source of career, learning and employment information and services.

Although over 23,400 individuals accessed career and labour market information services through the Career Information Hotline (CIH), this represents a decrease over the previous year. Increased distribution of new products, access to information via ALIS and the former Alberta Learning's authorization to use some of the tools as curriculum resources for high schools may have contributed to the reduction in calls to the CIH. The strong economy in Alberta may have also affected demand, as Albertans may be choosing to work rather than train or change careers. Further, the creation of the Student Funding Contact Centre (SFCC) has reduced the demand on the CIH, as funding related questions are redirected to the SFCC.

The Student Funding Contact Centre provides information to Albertans about student financial assistance and helps applicants submit electronic applications. Activity levels were strong with over 150,000 calls to this new service.

Goal 3:

Alberta has a productive workforce that meets the needs of the economy today and in the future

What it means

Alberta has a growing and changing economy where employers are aware of the challenges to remain globally competitive and to be increasingly productive. The Department works collaboratively with industry and other partners to assess and anticipate labour market trends. The Department also works with them to address human resource development, labour shortages and skills deficits, immigration policy, workforce planning and productivity issues. These activities ensure Alberta employers have the skilled workforce they need to complete in a global economy and maintain the Alberta Advantage.

STRATEGY 3.1
Share information with business, industry, communities and other jurisdictions on significant labour market trends and issues, as well as the knowledge and skills that will be required in the workplace.

In July 2004, AHRE presented information on significant labour market trends and issues related to the oil and gas industry at the Pacific Northwest Economic Region Annual Summit Conference. Labour market outlook presentations and displays were also provided to a variety of groups, including human resources directors across the Government of Alberta, an industry network in Central Region, staff for the cities of Edmonton and Calgary, and Career Technology Studies teachers. The preliminary results of the Occupational Supply and Demand Outlook were provided to industry and community stakeholders to gather their input, and the Annual Labour Market Review was shared across Alberta. Industry networks were expanded outside of Edmonton, Medicine Hat, Calgary, Grande Prairie and Fort McMurray to exchange labour market information with employers and associations.

STRATEGY 3.2
Promote employer participation and investment in workforce development.

The Department continued to work with the Federal government through the Forum of Labour Market Ministers to develop potential strategies to increase employer investment and participation in workplace-based training. In partnership with the Construction Owners Association, AHRE actively pursued attraction and retention endeavours to ensure a viable and diverse workforce is available in Alberta. The Department also sponsored a Job Expo/Career Fair in Calgary where more than 1,000 job seekers met with employers from retail, hospitality, transportation, and oil and gas sectors to discuss employment prospects and to interview for job opportunities. The Department continued to support the Aboriginal Industry Advisory Group which engages industry leaders in discussion on issues and strategies related to hiring Aboriginals with less than grade 12 credentials.

STRATEGY 3.3
Continue to implement *Prepared for Growth: Building Alberta's Labour Supply*.

In May 2004, AHRE released *Prepared for Growth: Building Alberta's Labour Supply - Report to Albertans* which provided a summary of accomplishments. The cross-ministry Labour Force Planning Committee met regularly to share information on labour supply and demand and proposed government plans to address imbalances, such as industry-specific apprentice needs. The Aboriginal Labour Force Survey continued to identify trends in Alberta's Aboriginal labour force. Also, a Youth Apprenticeship Project was initiated to increase the awareness of students in grades 7-12 of careers in the trades and agriculture.

STRATEGY 3.4
Promote workforce effectiveness (work-life balance, lifelong learning, workplace values).

In 2004, AHRE published *Better Balance, Better Business: Options for Work-Life Issues*, an information resource that provides employers with the business case for work-life balance and how to address this in their workplace.

The Department of AHRE chaired the national Women in Employment Committee of the Canadian Association of Administrators of Labour Legislation (CAALL) which, among other projects, is creating an inventory of work-life balance best practices across Canada.

STRATEGY 3.5
Develop alliances at the local, provincial, national and international level that will contribute to human resource development.

AHRE represented Canada at the 2004 International Labour Conference in Geneva, which focused on human resource development and training. The Department funded three research studies undertaken by the Canadian Policy Research Network: Young Adults with a Low Level of Education – An International Comparison; Adult Learning – preparing for challenges associated with changes in the labour market and in serving the need for adult skill development; and Access to Post-secondary Education for low-income students. The Minister of AHRE signed a Memorandum Of Understanding with British Columbia to promote information exchange and labour market programs best practices. Also, the Department partnered with the Alberta Hotel and Lodging Association, Alberta Food Processing Association, Alberta Restaurant and Foodservices Association, Canadian Manufacturers and Exporters and Petroleum Human Resource Sector Council regarding human resource development and skill shortages.

STRATEGY 3.6
In collaboration with other Government of Alberta ministries, various levels of government and industry, determine and implement strategies to enhance the participation of immigrants in the workforce and to address Alberta's labour shortages and skills deficits.

The Department continued to collaborate with other provincial ministries by participating on the Steering Committee of the Provincial Nominee Program for immigrants, as well as collaborating with provincial ministries and other levels of government by co-chairing the Temporary Foreign Worker program and Skill Shortages Liaison Team with Human Resources and Skills Development Canada. The Department also provided input into the Council of Federation proposals on foreign credential recognition and labour mobility. Further, AHRE provided support to the Public Policy Forum in a survey of over 2,000 employers across Canada to explore employers' attitudes toward hiring immigrants. Another AHRE accomplishment was the completion of *Integrating Skilled Immigrants Into the Alberta Economy*, a publication focusing on a strategy to facilitate the economic integration of Albertans with an international credential.

STRATEGY 3.7
Continue to co-champion the Economic Development Strategy, a Government of Alberta priority policy Cross-Ministry Initiative.

As co-champion, the Department supported the *Economic Development Strategy* through specific strategies and working groups, including the Regional Economic Development Sub-Committee. AHRE also continued to actively build effective partnerships with associations, industry, and employers to address their labour force needs. In an effort to address skill shortages in key industries, the Department also supported the Lean Manufacturing pilot project initiative in Alberta (led by Alberta Economic Development) and the Central Alberta Economic Partnership. Through these and other efforts, the majority of 2004/05 milestones and targets for the *Economic Development Strategy* were achieved.

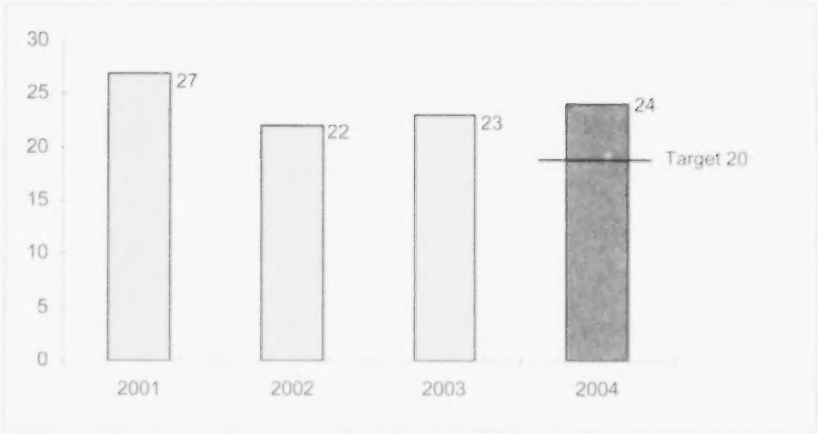
STRATEGY 3.8
Align immigration policy and programs to better reflect Alberta's economic and social priorities.

To meet the three-year objectives of *Integrating Skilled Immigrants into the Alberta Economy*, the Government of Alberta co-funded Integrated Language Training pilot programs. These programs provide internationally trained professionals with technical English skills and work experience in order to gain employment in their professions. In addition, AHRE provided funding for bridging programs that assist internationally trained professionals to upgrade their skills and acquire Canadian work experience. The Government of Alberta continued to provide $1.9 million to help new Alberta immigrants to integrate into their communities and the labour market.

STRATEGY 3.9
(Key Initiative – Partnerships)
Develop partnerships to meet Alberta's human resource development needs, including strategies which focus on skills deficits, workforce planning, supporting increased workforce productivity and improving relationships with workplaces.

Over the past year, significant progress was made in linking AHRE clients with employers and employment opportunities. AHRE also hosted a number of industry roundtables with representatives from those industries experiencing skill shortages during the current period of economic growth in the province. The *Meeting Alberta's Labour Needs Roundtable Final Report* was compiled and distributed to stakeholders in December 2004 for their consideration. In May 2004, AHRE held a *Building and Strengthening Partnerships* forum with local businesses, industry, and community representatives. Additionally, the Department provided support to the Conference Board of Canada's initiative to test the effectiveness of employability skills through established projects. The Department also entered into partnership with the Federal government to create the Canadian Agricultural Skills Service program, which is designed to provide training to lower income farm families enabling them to enhance their financial position.

PERFORMANCE MEASURE 3.a
Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%.



Source: Calculated using Statistics Canada, Labour Force Survey Microdata.
Note: In 2005, Statistics Canada revised all Labour Force Survey figures back to 1976. Therefore, results for previous years have been restated in this report. Caution on sample size: some unemployment rates are calculated using suppressed data. For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

A skill shortage is defined by an unemployment rate below 3%, where the demand for labour is greater than the supply. Due to the strength of the provincial economy in 2004, 24 occupational classifications had a skill shortage, which exceeds the target of 20 or lower. Other jurisdictions are facing similar challenges. To address this situation, AHRE continues to maintain and develop alliances with business and community groups and other levels of government to develop and implement opportunities for the Alberta labour force to keep learning, expanding and diversifying their skills to address skill shortage concerns.

SUPPLEMENTAL INFORMATION 3.1
Broad Occupational Categories with an unemployment rate below 3%:

	2003	2004
Management Occupations	1.4%	1.3%
Health Occupations	1.2%	0.9%
Occupations in Social Science, Education, Government & Religion	2.2%	2.5%

Source: Calculated using Statistics Canada, Labour Force Survey Microdata.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Management occupations, with an unemployment rate of only 1.3% in 2004, experienced a skills shortage situation. This shortage was most prominent in senior management occupations, which had an unemployment rate of only 0.2%.

The skills shortage situation for health occupations was acute, with an overall unemployment rate of only 0.9%. The health occupations group includes professional occupations in health, nurse supervisors and registered nurses, and technical and related occupations assisting in support of health services. The unemployment rate for these sub-groups ranged from 1.4% to 0.3%.

With an unemployment rate of 2.5%, a skills shortage also existed for the occupational groups of social science, education, government and religion.

Goal 4:

Alberta has a fair, safe and healthy work environment

What it means

Albertans require fair, safe and healthy workplaces. The Department helps organizations develop positive labour management relationships through better communication, problem solving and cooperation. The Department also promotes, regulates and provides information on workplace health and safety, and fair and balanced employment standards and practices. In addition, the Department ensures professional associations are governed in the public interest.

STRATEGY 4.1
Support Alberta's workplaces to resolve workplace issues effectively by providing mediation, arbitration and facilitation services.

Alberta continued to have one of the lowest rates of person days lost to strike and lockout among Canadian jurisdictions. AHRE appointed mediators to assist employers and unions in resolving collective bargaining disputes and arbitrators to resolve differences that arise from the application, interpretation or breach of a collective agreement. In 2004/05, out of a total of 349 collective agreements settled, 347 (or 99.4%) were settled without a legal work stoppage. The Department also provided facilitation services to assist several unionized health care and municipal workplaces in building stronger working relationships.

STRATEGY 4.2
Implement approaches to enhance compliance with employment standards and workplace health and safety.

AHRE continued to accept and investigate alleged employer contraventions of the *Employment Standards Code* and Regulation. Training was provided to employers on the updated Occupational Health and Safety (OHS) Code which took effect in 2004, ensuring that workplace safety rules keep pace with changes on Alberta worksites and are easy to use. Workplace Health and Safety performed over 3,000 inspections of targeted employers to address workplace safety injury prevention.

STRATEGY 4.3
Review workplace legislation to ensure it is current and relevant to Alberta's workplaces, including issues arising from the MLA *Labour Relations Code* Review Committee.

The Department reviewed the recommendations made by the MLA Labour Relations Code Review Committee and drafted a response for consideration. In February 2005, AHRE confirmed an upcoming increase of nearly 20% to the minimum wage to $7.00 per hour from $5.90 per hour and consulted with the business community and Albertans to determine the optimal implementation approach. The Department also worked with Alberta Advanced Education to develop options to Learning Commission recommendations related to labour relations.

STRATEGY 4.4
Continue to monitor legislation governing professions and occupations to ensure it is sensitive to the needs of professional and occupational associations and stakeholders.

In Spring 2004, amendments to the *Architects Act* were approved which granted a restricted scope of practice to licensed interior designers. In addition, amendments to four *Professional and Occupational Associations Registration Act (POARA)* regulations were approved which transferred educational assessment powers from the Universities Coordinating Council to those Professional Regulatory Organizations which are governed by *POARA*. In preparing policy content for a proposed new *Regulated Agrology Profession Act*, extensive consultations were undertaken with the public, Professional and Technical Agrologists, the Farmers' Advocate, the Office of the Information and Privacy Commissioner and various government departments.

STRATEGY 4.5
Promote access to employment opportunities by reducing or eliminating labour mobility barriers.

AHRE provided advice and direction to self-regulating occupations and trades to enhance the movement of qualified workers throughout Canada. Specifically, AHRE supported the development of the Comprehensive Agreement on Trade, Investment and Mobility between British Columbia and Alberta and participated in the inter-departmental Committee on Internal Trade to address inter-provincial trade and labour mobility issues. The Department also continued to provide input into the Council of Federation proposals on labour mobility.

STRATEGY 4.6
Provide Albertans with access to workplace health and safety and employment standards information.

In 2004/05, AHRE published an updated edition of the *Occupational Health and Safety (OHS) Code Explanation Guide* which clarifies the content or application of the OHS Code requirements. In addition, AHRE posted a Small Business Toolkit for Health and Safety on the Workplace Health and Safety website. Both the Employment Standards and the Workplace Health and Safety Contact Centres continued to provide employers and employees with general information about Workplace Health and Safety and Employment Standards legislation. The Department also extended a partnership with St. John Ambulance, the Youth Employment Development Center, employers and community partners to provide job safety skills training, including First Aid, Workplace Hazardous Materials Information System and CPR to a couple hundred youth.

STRATEGY 4.7
(Key Initiative – Partnerships)
Continue to implement the *Work Safe Alberta* strategy to improve workplace safety in Alberta.

Work Safe Alberta is a successful partnership among industry, safety association, labour, Workers' Compensation Board (WCB) and government that began in 2002 to reduce injuries and fatalities on Alberta worksites. In 2004/05, work in successfully implementing the *Work Safe Alberta* strategy continued as evidenced by further reductions in Alberta's injury rate to an all-time low. The 2004 provincial lost-time claim rate of 2.6, which represents a 24% reduction over the 2000 lost-time claim rate of 3.4, has resulted from public awareness campaigns, health and safety education, updated legislation and increased compliance efforts and prosecutions.

Best practices in construction were developed in partnership with construction industry representatives and the Alberta Construction Safety Association to help prevent injuries to construction workers. At the first annual *Best Safety Performer* awards held in June 2004, seven winners of the *2004 Awards for Innovation in Workplace Health and Safety* were recognized along with more than 330 recipients of the *Best Safety Performers* awards. Also in 2004/05, Alberta Education and the *Work Safe Alberta* Secretariat engaged in collaborative efforts to infuse a workplace health and safety culture in Alberta's schools, so that Alberta's students will be better prepared to work injury-free when they enter the workforce.

PERFORMANCE MEASURE 4.a
Lost-Time Claim Rate: number of lost time claims per 100 person years worked.

Annual Change in number of Lost Time Claims (adjusted for change in size of workforce)	2004/05	Target
	Decreased by 4,065	New measure. Target to be determined.

Sources: Human Resources and Employment and Workers' Compensation Board.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix I.

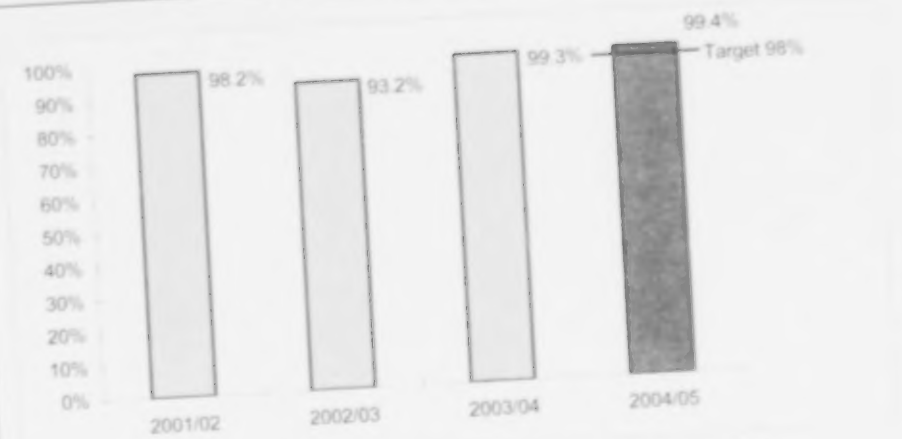
ANALYSIS OF PERFORMANCE MEASURE RESULTS

The lost-time claim rate provides an estimate of the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. A lost-time claim occurs when a worker receives wage loss compensation for one or more days after the date of injury.

In 2004, Alberta workplaces had their best safety performance in over a decade. While the target of 2.0 or lower was not met, the provincial lost-time claim rate has dropped from 3.4 injuries per 100 person-years in 2000 to its current low of 2.6 in 2004. A lost-time claim rate of 2.6 represents about 10,000 fewer lost-time injuries each year and over $150 million in direct annual WCB claims cost savings. The number of lost-time claims decreased by 4,065 between 2003 and 2004.

As part of Work Safe Alberta, the Alberta government and partners from industry, labour, safety associations and the WCB tackled injuries and fatalities on a number of fronts. Partners networked their websites and developed online safety learning programs. Industry developed a mentorship program where employers with good safety records provided practical advice to employers who wanted to improve their safety performance. Occupational Health and Safety Officers continued visiting worksites to educate employers and workers on how to keep their worksites safe.

PERFORMANCE MEASURE 4.b
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

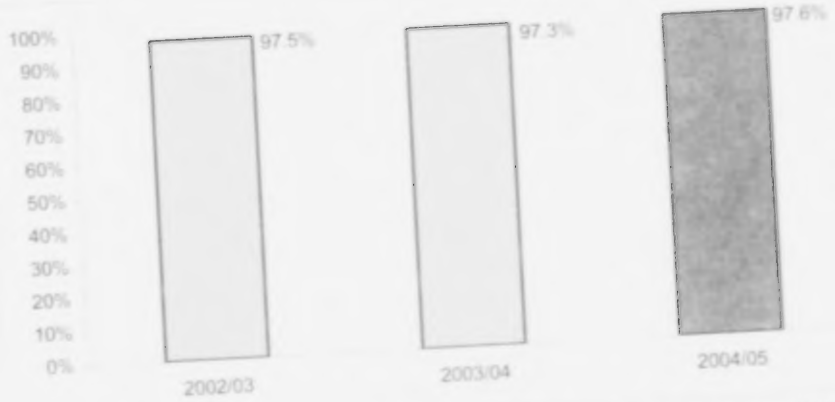


Source: Human Resources and Employment – Integrated Bargaining Information System (IBIS).
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Indicators of labour stability in Alberta include the percentage of collective agreements that parties reach on their own as well as the percentage of mediation appointments that avoid work stoppages. This measure refers to the percentage of collective bargaining agreements successfully negotiated and ratified by the parties involved. The percentage of expired collective agreements that were settled without a work stoppage was 99.4% which exceeded the target of 98%. This is an achievement considering the number of external factors influencing the measure, such as a low unemployment rate, workers' expectations, and a shortage of skilled workers. A key factor contributing to the high level of resolution is that private and public sector wage settlements reflect the relative strength of the Alberta economy.

PERFORMANCE MEASURE 4.c
Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.



Sources: Alberta Human Resources and Employment – Employment Standards Information System (ESIS); Statistics Canada.
Note: New measure in 2004-07 Business Plan. Target to be determined. For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

AHRE promotes, regulates and provides information on fair and balanced employment standards and practices for both employers and employees. Minimum standards under the *Employment Standards Code* and Regulation include payment of earnings, minimum wage, hours of work, etc. This measure is used to assess the effectiveness of the Department's efforts, and is an indicator of the level of compliance by employers. The percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards in 2004/05 was in keeping with previous year's results.

PERFORMANCE MEASURE 4.d
Satisfaction of individuals who have used selected workplace programs and services:

	2003/04	2004/05	Target
Workplace Health and Safety Call Centre	98%	Data collected Biennially	n/a
Employment Standards Call Centre	97%	Data collected Biennially	n/a
Mediation Services	No historical data	92%	New measure. Target to be determined.

Source: Alberta Human Resources and Employment, Mediation Services Satisfaction Survey
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF PERFORMANCE MEASURE RESULTS

Mediation Services provides expertise and third party neutral support, through a roster of professional arbitrators, to labour and management in resolving collective bargaining disputes. Client satisfaction is a measure of how mediation services met stakeholder expectations and needs regarding mediation information inquiries, mediation and or arbitration. In 2004/05, 92% of those who used Mediation Services were satisfied with the services they received.

SUPPLEMENTAL INFORMATION 4.1
Percentage change in the lost-time claim rate for targeted employers – employers with a poor health and safety record.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Each year, the Department identifies employers with a high risk of unsafe working conditions and works with these targeted employers to raise awareness and compliance. In 2004/05, Workplace Health and Safety conducted over 3,000 targeted inspections and issued 2,868 compliance orders. In comparison to the 2004 provincial lost-time claim rate of 2.6, the 2004 Targeted Employer program showed a lost-time claim rate of 6.5 for targeted employers, a percentage decrease of 26.1% over the previous year. This represents 2911 fewer lost-time injuries and about $43 million dollars in direct annual WCB claims cost savings for employers on the targeted employer list.

Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

SUPPLEMENTAL INFORMATION 4.2
Percentage of the public aware of workplace health and safety.

ANALYSIS OF SUPPLEMENTAL INFORMATION

AHRE has continued to work together with numerous partners through the Work Safe Alberta initiative to increase awareness of workplace health and safety and the need to reduce injuries. Public awareness continues to increase since the implementation of the awareness campaign.

In 2003/04 and in 2004/05, Albertans were read the statement: "Accidents happen at work; there is little that can be done to prevent them." Survey results show in 2003/04, 82% of respondents said they disagreed with the statement, and in 2004/05 90% of respondents disagreed. This year-to-year increase shows Albertans are absorbing the message that actions can be taken to reduce workplace injuries – a key Work Safe Alberta message. It is anticipated that continued public awareness activities as well as the ongoing commitment and support of employers, industry and safety associations and labour groups will continue to increase awareness of workplace health and safety as well as directly affect the injury reduction results.

Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

SUPPLEMENTAL INFORMATION 4.3
Percentage change in the number of Certificate of Recognition (COR) holders.

ANALYSIS OF SUPPLEMENTAL INFORMATION

Effective health and safety management systems have been shown to have an impact on reducing injuries. Further, eliminating the social and financial effects of injuries can strengthen participating employers' business success.

In 2004/05, the number of Certificate of Recognition (COR) holders increased by 8% compared to an increase of 10% in 2003/04. Ongoing efforts by Certifying Partners to promote and deliver the Partnerships in Health and Safety Program in Alberta continue to show positive results. Active support from these other organizations is key to achieving results.

Note: For additional information see AHRE Performance Measure Source and Methodology – Appendix E.

SUPPLEMENTAL INFORMATION 4.4
Lost Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sectors.

Lost-time Claim Rate (2004)	COR holders	Non-COR holders
1) Alberta Construction Safety Association Industries	2.5	4.0
2) Upstream Oil and Gas Industries	1.7	1.0
3) Steel and Metal Fabrication Industry	4.1	6.9

Data Source: Alberta Human Resources and Employment.

Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

This information covers three selected industry sectors:

1) The Alberta Construction Safety Association (ACSA) Industries included: construction trade services, glaziers, industrial construction, masonry, mechanical, electrical and insulation, roadbuilders, roofers, and lime, cement and concrete producers manufacturing. In this industry sector, employers with a valid COR had a lower lost-time claim rate than non-COR holders. The Lost-time claim rate for non-COR holder's in 2003 was 4.7, and for COR holders was 2.7, showing an improvement (decrease) in the number of lost-time claims by 2004.

2) Employers in Upstream Oil and Gas Industries included: petroleum producers/ exploration, oilfield maintenance and construction, well servicing with service rigs, drilling of oil and gas wells, downhole and other oilfield services, tar sands, and oilfield trucking services. The lost-time claim rate for employers with a valid COR, was lower than the provincial overall lost time claim rate of 2.6, and showed a more significant improvement, from 2.3 in 2003 to 1.7 in 2004 than the lost-time claim rate for non-COR holders (1.2 in 2003 to 1.0 in 2004). Due to the low sample size of the non-COR holders in this industry sector, results can fluctuate from year-to-year. In addition, a number of the non-COR holders represent large administrative organizations which would in turn, have a low LTC rate and bring down the overall average.

3) Steel and Metal Fabrication Industry: The estimate of the probability, or risk, of disabling injury or disease to a worker during a period of one year's work for employers with a COR is lower than non-COR employers in the Steel and Metal Fabrication Industries. The claim rate for COR holders decreased by 2.4%, but the claim rate for non-COR holders increased by 1.5% over the 2003 levels.

SUPPLEMENTAL INFORMATION 4.5
Use of workplace information services:

Information Services	2002/03	2003/04	2004/05
Employment Standards Contact Centre (calls received)	157,217	143,907	140,971
Employment Standards website visits	Not Available		984,506
Workplace Health and Safety Contact Centre (calls received)	n/a	22,226	22,113
Workplace Health and Safety and Network website visits	Not Available		1,697,017

Source: Alberta Human Resources and Employment.
Note: For additional information see AHRE Performance Measures Source and Methodology – Appendix E.

ANALYSIS OF SUPPLEMENTAL INFORMATION

The Employment Standards and Workplace Health and Safety Contact Centres offer a range of support including a website, fax-back, e-mail and a telephone service to the deaf and hard of hearing. The Employment Standards Call Centre shows 140,971 calls were answered in 2004/05, a decrease of only 2% over the previous year. There was also a decrease of less than 1% in the number of calls to the Workplace Health and Safety Call Centre, with 22,113 calls answered in 2004/05. However, the volume of website visits to the Employment Standards and the Workplace Health and Safety website was very high, at just under 1 million and 1.7 million visits, respectively.

Cross-Ministry Initiatives

The Department of AHRE actively supported, and successfully implemented all its strategies in 2004/05 regarding the four Government cross-ministry priority policy initiatives:

- Health Sustainability Initiative;
- Aboriginal Policy Initiative;
- Children and Youth Initiative; and
- Economic Development Strategy.

A few examples of key achievements resulting from the implementation of strategies supporting priority policy initiatives include:

- 82% of the 115 participants who completed the First Nations Training to Employment Program were employed in their fields of training within three months after completion.
- Workforce adjustment services were provided to over 1,500 laid-off workers across the province which resulted in about 90% of the 130 laid-off workers from the Cardinal River Mines securing subsequent employment.
- Youth across Alberta were provided with exposure to the construction industry, firefighting training, careers in the trades, and worksite safety through the Youth Employment Program, Youth Apprenticeship Program, Job Safety Training for Youth, and First Nations Training to Employment Program.

The Department also supported, and successfully implemented all its strategies in 2004/05 regarding the four Government cross-ministry Key Administrative Initiatives:

- Corporate Human Resource Development Strategy & Plan;
- Shared Services Delivery Improvement Strategy;
- Service Alberta Initiative; and
- Cross-Government Information and Communication Technology Initiative.

A few examples of key achievements resulting from the implementation of strategies supporting Key Administrative Initiatives include:

- The Alberta Secure Access Project was implemented with AHRE as a contributor. The project facilitated a government-wide authentication/authorization process for e-government and client self-sufficiency.
- The Premier's Award of Excellence was received by the following AHRE teams for demonstrating the principles of business excellence:
  - Gold: ALIS Website Redesign
  - Silver: Cumulative Impact Assessment Work Group
  - Bronze: AHRE Leadership Program Pilot
  - Bronze: Rededication to Service – Amalgamation of City Centre Area Project
  - Bronze: Calgary Community and Business Services
  - Bronze: Edmonton North Area Front End Services Unit

PERFORMANCE ASSESSMENT
Other government departments' satisfaction with the department's contribution on key initiatives.

ANALYSIS OF PERFORMANCE ASSESSMENT RESULTS

The Department continues to receive strong support from other departments as 92.5% agreed, "AHRE staff are very fair when collaborating with partners," a result similar to previous years, which surpasses the 90% target.

Note: For additional information see Source and Methodology section – Appendix E.

INTEGRATED RESULTS ANALYSIS

- Integrated Results Analysis (Program and Financial)
- Results Analysis and Discussion

Integrated Results Analysis for Core Business:

PERSONNEL ADMINISTRATION OFFICE

STRATEGIC LEADERSHIP OF HUMAN RESOURCE MANAGEMENT IN THE ALBERTA PUBLIC SERVICE

Goal 5: An integrated, effective and enabling human resource management framework in the Alberta Public Service

Section Reference: *See Results Analysis and Discussion – Goal 5 Section: Page 73*

PERFORMANCE MEASURES	Target	Results	Variance
5.a Client satisfaction with human resource strategies and policy frameworks.	83%	79%	(4%)
5.b Client satisfaction with working relationship with the Personnel Administration Office.	90%	92%	2%

Goal 6: A strong public service that is positioned to meet emerging and diverse government goals

Section Reference: *See Results Analysis and Discussion – Goal 6 Section: Page 77*

PERFORMANCE MEASURES	Target	Results	Variance
6.a Percentage of employees who are satisfied with their employment in the Alberta Public Service.	82%	79%	(3%)

Goal 7: Safe and healthy workplaces in the Alberta Public Service

Section Reference: *See Results Analysis and Discussion – Goal 7 Section: Page 79*

PERFORMANCE MEASURES	Target	Results	Variance
7.a Alberta public service lost-time claim rate (per 100 person-years worked data based on calendar year).	1.0	1.7	(0.7)

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	8,709	*See Supplemental Ministry Information Section*
	Actual Spending	8,610	
	Variance	99	

INTEGRATED RESULTS ANALYSIS

PAO's budget of $8.7 million was used to provide strategic leadership of human resource management in the Alberta public service, to address the priorities of the Corporate Human Resource Plan and to support best practices research. Expenditures supported the continued development of a comprehensive policy framework for human resource management in the areas of benefits, compensation, classification, labour relations, staffing, workforce development and workplace health. As well, PAO continued to provide collective bargaining, employee assistance and executive search services. Under the Corporate Human Resource Plan initiatives focused on: ensuring employees have the capacity to achieve business plan goals; attracting and retaining talent; ensuring optimal employee performance towards achieving ministry and government goals; and providing a positive, healthy and safe work environment.

Personnel Administration Office

Detailed Program Results Analysis and Discussion

Goals, strategies, measures and desired results

Goal 5: An integrated, effective and enabling human resource management framework in the Alberta public service

STRATEGY 5.1
Develop and maintain a comprehensive policy framework for human resources management.

The policy framework for human resource management in the Alberta public service (APS) continues to address current and emerging human resource issues. Developments this year included:

- Implementation of the Workplace Health Framework. The key elements of the framework address the physical environment, social environment and health practices, which, when supported, helps to ensure a sustainable, healthy workplace.
- A revised Succession Management Framework which outlines a systematic approach to ensuring a continuous supply of the best talent by helping individuals develop.
- Development of a learning and wellness account for public service employees with consistent guidelines across all ministries. Funds support employees in developing their competencies for career development and encourage individual commitment to personal health.
- Delivery of information sessions to managers on the Code of Conduct and Ethics, Due Diligence and the benefits of a safe and healthy workplace.
- Development of a Designated Officer training session. The session was delivered to over 200 Designated Officers province-wide.
- Incorporation of the definition of "benefit partner" into the Government of Alberta benefit programs for bargaining unit employees.

Significant progress was made this year in converting non-management positions to the Point Rating Evaluation Plan (PREP). The Personnel Administration Office (PAO) worked with ministries and the Alberta Union of Provincial Employees to implement PREP in four subsidiaries. As of March 31, 2005, there were only three subsidiaries where PREP had not been implemented. A highlight of the implementation was in Subsidiary 001 (Administrative and Support Services), which has over 7,000 jobs. Employees in those jobs were provided with information sessions (in-person and over the web) to assist them in writing their job descriptions. Then, six cross-ministry teams of human resource professionals were established to evaluate the positions. This streamlined and collaborative process helped ensure the consistent application of the classification plan across ministries.

STRATEGY 5.2
Key Initiative – Corporate Human Rescurce Development Strategy
Lead the development and support implementation of the annual Corporate Human Resource Plan including the Corporate Human Resource Development Strategy.

PAO continued to lead and champion the Corporate Human Resource Plan and Corporate Human Resource Development (CHRD) Strategy as well as to coordinate and manage the Corporate Human Resource Research and Development (R&D) Fund that supports initiatives under the Plan and Strategy. PAO Directors co-chair each of the priorities under the Plan with ministry Human Resource Directors, providing a corporate and collaborative strategic approach to the development and implementation of human resource initiatives across government.

STRATEGY 5.3
Key Initiative – Shared Services Delivery Improvement Strategy
Enhance the seamless and effective functioning of human resource programs and services to the Alberta public service through collaboration with the Alberta Corporate Service Centre and the Human Resource Directors' Council.

PAO collaborated extensively with the Human Resource Director's Council (HRDC) and the Alberta Corporate Service Centre (ACSC), now part of the Ministry of Restructuring and Government Efficiency (RGE), to enhance and deliver human resource programs and services. PAO and RGE staff worked jointly to deliver staffing, classification and employee relations training to the human resource community. As well, PAO, RGE and Ministries all participated in supporting the human resource internship program. This program is a key part of attracting and developing skilled and knowledgeable human resource professionals for the future.

PAO established the Executive Director of the Human Resource Director's Council (HRDC) role in September 2004. As co-chair of the Council with the Public Service Commissioner, this role is intended to help position the Council to meet current and future challenges facing the Alberta public service. Projects included: coordinating HRDC's planning processes, facilitating the cross-ministry effort to implement PREP in Subsidiary 001, coordinating change management training for HRDC and briefing new HR Directors on programs and strategies.

As well, this position works closely with other councils on cross-government administrative priorities. The Public Service Commissioner and Executive Director of HRDC were members of the Steering Committee for the Administrative Strategy Committee which provided cross-ministry leadership to administrative initiatives. This team championed the Shared Services Delivery Improvement Strategy and provided advice and direction on the IMAGIS business plan (IMAGIS is the integrated management information system for human resources in the Government of Alberta).

PAO also participated on the Recruitment Re-engineering project steering committee and provided input into the development of the Administrative Support Entry Level Recruitment Project. The Project resulted in a centralized recruitment process for entry level administrative support positions which includes proficiency testing and the creation of an eligibility list from which certified candidates are referred to ministry vacancies. This approach will significantly reduce recruitment time while ensuring a consistent measure of certification among candidates.

PERFORMANCE MEASURE 5.a
Client satisfaction with human resource strategies and policy frameworks

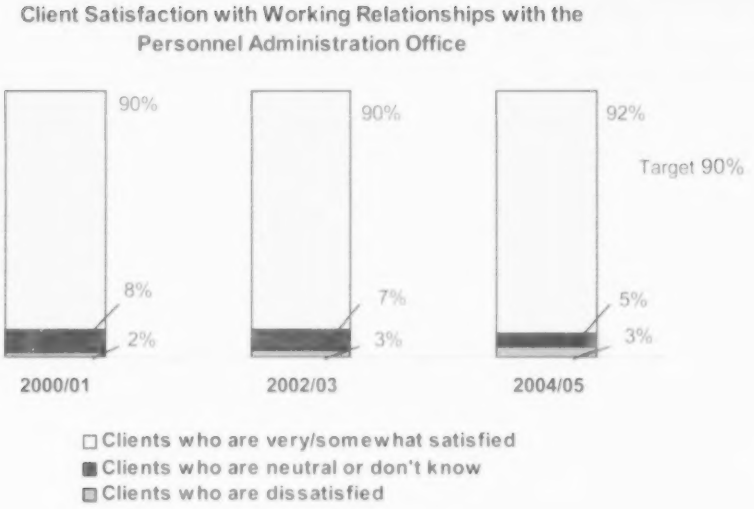
PAO conducts a comprehensive survey of client satisfaction every two years with its primary clients (deputy ministers and their executive committees, human resource directors and human resource professionals in government ministries). The last survey was conducted in the spring of 2004.

To measure client satisfaction, an independent survey organization, Research Innovations Inc., conducted a census survey of PAO's clients. Of the 381 clients eligible to participate, 324 participated in the study. Data on measures of overall satisfaction with working relationships with PAO and overall satisfaction with PAO's human resource strategies and policy frameworks was collected by telephone interview. The balance of the survey was conducted through a combination of telephone interview and completion of an on-line survey. Individual responses were categorized on a scale of one to five ranging from very satisfied to very dissatisfied respectively. Results were averaged to give each group equal weight.

ANALYSIS OF PERFORMANCE MEASURE

In the 2004/05 survey, 79% of clients were somewhat or very satisfied with the corporate human resource strategies and policy frameworks developed by the Personnel Administration Office. This is a two percentage point decrease over the previous survey and is slightly below the established target. The next survey will be conducted in 2006/07.

PERFORMANCE MEASURE 5.b
Client satisfaction with working relationships with PAO



ANALYSIS OF PERFORMANCE MEASURE

PAO's clients continue to have high satisfaction with their working relationships with PAO. Satisfaction increased by two percentage points from the last survey, to 92%. This result exceeds the established target by two percentage points. The next survey will be conducted in 2006/07.

SUPPLEMENTAL INFORMATION
Labour Relations Statistics
(Source: IMAGIS[1] HR database)

PAO represents the interests of the Government of Alberta as an employer, in the resolution of workplace disputes, such as employee grievances. PAO manages the dispute resolution process when a dispute is referred to an arbitration board. In 2004/05 the number of grievances that progressed to the arbitration level was 32, which is consistent with the 10-year average of 31.4 grievances per year. The majority of grievances continue to be resolved prior to arbitration.

[1] IMAGIS is the integrated management information system for human resources in the Government of Alberta

Goal 6: A strong public service that is positioned to meet emerging and diverse government goals.

STRATEGY 6.1
Foster continuous learning, service excellence, and build leadership capacity for all employees.

The Alberta public service Succession Management Framework was revised to demonstrate a more holistic approach to succession management, with a focus on building capacity, both organizationally and individually, to ensure a continuous supply of the best talent. Communication, implementation and integration of the Alberta public service competency model also continued with a focus on the Levels of Excellence which is a tool for competency development

The Corporate Executive Development Program had 53 executives enroll in the 2004/05 Executive Assessment Services, a multi-rater feedback process that provides individuals with information they can use for development planning. As of January 2005, 214 individuals had participated in, or were currently enrolled in Executive Assessment Services. This represents a participation rate of approximately 52% of all Executive Managers since the inception of the Corporate Executive Development Program (January 2002). A Senior Leader Profile and Senior Manager Assessment Service were developed this year. Executive Search continues to provide coaching and interview support options to program participants.

Graduation ceremonies for both the Senior and Executive Managers' Development Program (SEMDP) and the Management Development Program (MDP) recognized a combined 151 graduates. These programs are developed and delivered in partnership with the University of Alberta School of Business. Skills development in areas such as leadership, consultation and relationship building as well as increasing knowledge in the areas like ethics, the economy and social issues are covered within the programs.

Service Excellence initiatives continued to enhance employee awareness, understanding, and capacity to deliver excellent service. Since May 2003, 22 teams have registered in the Deputy Minister of Executive Council Service Excellence Recognition Program and two teams who completed the program were recognized for their achievement.

STRATEGY 6.2
Develop and enhance strategies to attract and retain talent.

A marketing strategy was developed to make the APS a visibly recognizable employer. It included a new look for recruitment advertising that was also applied to associated marketing materials and the career booth displays. Enhancements made to the Alberta public service Jobs website included a search and sort capability and a job posting subscription service. The website received 2.4 million hits in 2004/05. As of March 31, 2005, 85% of applicants were applying online for employment with the APS.

An Employee Expo was held to market the APS internally as a positive long-term career choice for employees. The Expo showcased a total of 40 booths from ministries and highlighted the numerous resources available to employees for personal and career development. Ninety-six percent of survey respondents agreed that the Employee Expo was a valuable experience and 90% agreed that they had a greater awareness and understanding of the employee resources available to them.

The Ambassador Program continued to raise the profile of the APS as an exciting and rewarding place to work with 181 APS staff participating as Ambassadors this year. Ambassadors participated in 12 career fairs, as well as 12 career forums at various universities and colleges across Alberta.

In 2004/05, there were 274 interns in the public service. Initiatives used to support the intern program included six professional development sessions for interns, distribution of four newsletters, and updates to the intern handbook, intern coordinator handbook, and the intern website. PAO also continued to provide an executive search service to attract and recruit executive managers and senior officials in ministries.

STRATEGY 6.3
Promote alignment of employee performance with ministry business plans and Government goals.

Ministries concluded implementation of the common performance criteria for managers. The criteria aligns with those established for Deputy Ministers and Executive Managers on Executive Committees. The key performance areas for managers were: support to the organization, support for collaborative initiatives, and leading the organization (includes support for learning & development, recognition, service excellence and workplace health).

A key focus this year was to improve the working relationships between supervisors and employees using performance management, coaching and recognition strategies. Cross-ministry sessions for supervisors on coaching and recognition were held in Edmonton, Calgary and Grande Prairie with over 1,200 employees attending. Ninety-nine percent of survey respondents were satisfied with the sessions and indicated they could use the information to better coach and recognize staff.

The June 2004 ceremony marked the tenth Anniversary of the Premier's Award of Excellence Program. To celebrate this milestone, a video highlighting the purpose and achievements of the Program was developed along with a booklet entitled "Making History – Alberta's Public Service (1995-2004). In 2004, a total of 43 awards were given.

PERFORMANCE MEASURE 6.a
Percentage of employees who are satisfied with their employment in the Alberta public service.

Measurement data under this goal is collected through the annual Corporate Employee Survey.

Measures of employee satisfaction have been established and annual surveys have been conducted since 1996. The 2004/05 Corporate Employee Survey was conducted by an independent survey organization, Research Innovations Inc. Data was collected in late September to mid-November 2004 from 9,290 Government of Alberta employees using a combination of online and telephone surveying. The margin of error was no greater than ±1% at the 95% confidence level.

Corporate Human Resource Plan Measures	Source	2002/2003 Actual	2003/2004 Actual	2004/2005 Actual	2004/2005 Target
% of employees who are satisfied with their employment in the Alberta public service.	Corporate Employee Survey	81%	80%	79%	82%

ANALYSIS OF PERFORMANCE MEASURE

Seventy-nine percent of employees surveyed are satisfied with their employment in the Alberta public service, which is a decrease of one percent from 2003/04. When surveying began in 1996, 68% of employees were satisfied with their employment. In recent years, results have remained relatively consistent. Performance management continued to be a priority under the Corporate Human Resource Plan, and work is ongoing in this area.

SUPPLEMENTAL INFORMATION
Executive Search

Executive Search managed 62 competitions in 2004/05 (11 of which were carried forward from 2003/04). These competitions involved service to 19 ministries, as well as Executive Council and the Personnel Administration Office; four significant agencies, boards and commissions and the Office of the Auditor General. The 2004/05 point-of-service client surveys indicated Executive Search clients were all satisfied with the service provided.

EXECUTIVE SEARCH STATISTICS

	2002/2003	2003/2004	2004/2005
Number of Competitions			
Open	44	43	38
Limited	20	10	24
Total	64	53	62
Competitions Managed			
Senior Official/ Deputy Minister	6	6	11
Executive Manager II	9	4	11
Executive Manager I	37	30	29
Other Levels*	6	7	9
Other*	6	6	2
Total Competitions Managed	64	53	62

Source: Personnel Administration Office

* Includes agencies, boards and commissions and Office of the Auditor General.

Goal 7: Safe and healthy workplaces in the Alberta public service

STRATEGY 7.1
Promote a safe work environment that reduces workplace incidents

PAO's Workplace Health area coordinated clinics for the delivery of influenza immunization shots during the months of October and November 2004 through Capital Health. Approximately 6,065 employees received immunizations. A total of 188 clinics in 121 different locations were held across Alberta.

As part of the updated Occupational Health & Safety Code, a resource tool on how to effectively deal with workplace violence was developed and made available to ministries through the PAO website. An updated incident investigation process and a new near miss reporting process and document were implemented in January 2005.

STRATEGY 7.2
Support ministries to foster healthy workplaces

The Workplace Health Framework was completed in March 2005 reflecting the Government of Alberta's commitment to stimulate and create a work environment that encourages a healthier workplace. It identifies the elements of workplace health, guiding principles, the roles played by the organization, individual managers, and employees, as well as initiatives and promotional direction to assist ministries in achieving this vision for workplace health.

The Government of Alberta Occupational Health and Safety Program was updated and placed online in September 2004. This included a list of the services provided by PAO and RGE (Alberta Corporate Service Centre), Occupational Health and Safety Code references, and links to tools and supports that will assist ministries in gaining alignment to the Code. These tools include hazard assessment elimination and control, workplace violence, and emergency preparedness and response.

As part of an information series for managers, a session on due diligence was presented to highlight the importance of Occupational Health and Safety within the Government of Alberta.

STRATEGY 7.3
Support employees in managing their well-being.

A link was established from the New Employee Orientation Worksite to the Healthy U @ Work intranet site to promote workplace health to employees. Articles promoting the Healthy U @ Work intranet site were included in the "What's New" newsletters for managers.

A number of enhancements were made to the Employee Support and Recovery Assistance (ESRA) Program. The ESRA program offers professional health assistance to help employees who are ill or injured with their recovery. A marketing strategy was developed along with a streamlined process for contacting employees. Tools for managers/supervisors (including a supervisor checklist and reference guide) and an updated ESRA website for easier access to information were implemented.

Workplace Health was featured at the Employee Expo and provided information to increase awareness of the various tools and supports available to employees, including a demonstration of workstation ergonomics. Employees (330) responded to a short survey that asked the question "What does Workplace Health mean to you?" Input from employees will be used in developing future Workplace Health plans and initiatives.

A Workplace Health Conference was held in January 2005 with 772 registrants. The conference featured sessions on health, wellness and safety topics, as well as a tradeshow involving non-profit organizations sharing information on health and wellness.

PERFORMANCE MEASURE 7.a
Alberta public service lost-time claim rate (per 100 person-years worked, data based on calendar year)

The measure shown on the chart below provides information on the time lost due to incidents/injury in the Alberta public service. Frequency of incidents/injuries is based on a standard formula that calculates the number of lost-time claims per 100 person years worked.

Well-being Performance Measure (Calendar Year)	2002 Actual	2003 Actual	2004 Actual	2004 Target
Frequency of Incidents/Injuries (Lost-time claims per 100 person years worked) Calculated as: (Number of workplace disabling injuries x 200,000 hours) Employee Hours Worked	2.0	1.8	1.7	1.0

Source: IMAGIS* Occupational Health & Safety database

* IMAGIS is the integrated management information system for human resources in the Government of Alberta.

ANALYSIS OF PERFORMANCE MEASURE

The lost-time claim rate (frequency of incidents/injury) decreased in 2004 compared to 2003. The total number of workplace disabling injuries decreased from 359 in 2003 to 344 in 2004. Taking into consideration variations in the severity of the forest fire season, the typical range for the Disabling Injury Frequency rate is between 2.0 and 1.5 for the Government of Alberta. The 2004 rate of 1.7 falls within this range.

SUPPLEMENTAL INFORMATION
Workplace Health

Work days lost measures the number of work days that employees lost due to workplace injury, relative to the total hours worked. This information is based on disabling injuries that occurred in the calendar year. Days lost are included within that calendar year and up to the end of March of the following year for those incidents. The methodology is consistent with the methodology used by Alberta Human Resources and Employment. The number of work days lost has decreased since 2002, however, this figure is impacted significantly by the severity of the forest fire season. The 2003 and 2004 forest fire seasons were relatively mild in relation to 2002.

	2002	2003	2004
Work days lost[2] (per 100 person years worked) Calculated as: (Number of work days lost x 200,000 hours)/Employee Hours Worked	62.7	43.2	38.3

Source: IMAGIS (Occupational Health & Safety module)

Time Lost to General Illness measures the average number of general illness days taken per employee across the Alberta public service. General illness covers absences due to illness or injury greater than three days to a maximum of 80 days. The average number of days taken has remained constant over the past few years.

	2002/03	2003/04	2004/05
Time lost to general illness (average number of days lost per employee)	4.5	4.4	4.5

Source: IMAGIS HR module.

The Long Term Disability (LTD) incidence rate measures the number of new Long Term Disability claims per 1,000 employees. The total number of employees includes a small number who are within the first three months of their employment that would not be eligible for LTD benefits.

	2002/03	2003/04	2004/05
Long Term Disability (LTD) Incidence rate (Number of new claims per 1,000 employees)	9.7	14.8	13.4

Source: IMAGIS HR module, Johnson Inc., and Great-West Life

[2] The work days lost statistic is due to workplace injury.

SUPPLEMENTAL INFORMATION
Benefit Plans

The following two tables provide statistics on the benefits paid and usage of employee benefit plans. A description of the plans accompanies each table.

Plan		Benefits Paid ($ thousands)		
		2002/2003	2003/2004	2004/2005
Basic Group Life Insurance	Deaths	42	47	65
	Total Benefits Paid	$3,765	$4,167	$6,447
Accidental Death and Dismemberment Insurance	Deaths	0	2	1
	Total Benefits Paid	$0	$204	$152
Dependents' Life Insurance	Deaths	30	46	31
	Total Benefits Paid	$217	$330	$230
Enhanced Life Insurance	Deaths	4	6	8
	Total Benefits Paid	$848	$676	$1,782
Retiree Life Insurance	Deaths	214	246	222
	Total Benefits Paid	$650	$748	$682

Source: Personnel Administration Office; Great-West Life Assurance Company

About the Plans

Basic Group Life Insurance
A lump sum is paid to the beneficiary on the employee's death. A partial advance payment of the total coverage may be paid to a terminally ill employee. The employer pays two thirds, and the employee pays one third of the premium.

Accidental Death and Dismemberment Insurance
This policy provides additional benefits if death was accidental, or if an accident causes loss of use of limbs. The employer pays two thirds, and the employee one third of the premium.

Dependents' Life Insurance
Employee-funded, this benefit is paid to the employee on the death of an insured spouse or child.

Enhanced Life Insurance
Employee-funded, this additional optional coverage is based on a multiple of annual salary and is available to management and non-union employees.

Retiree Life Insurance
Beneficiaries receive a benefit on the death of an insured retired employee. The benefit for employees who were in the bargaining unit is $4,000. The management and non-union plan provides a $3,000 benefit if the employee retired or terminated with 10 to 20 years of service, and $5,000 with 20 or more years of service.

Plan		Benefits Paid ($ thousands)		
		2002/2003	2003/2004	2004/2005
Extended Medical Benefits and Prescription Drug Plans	Extended Medical Benefits Paid	$12,040	$13,938	$14,642
	Prescription Drug Benefits Paid	$3,387	$3,915	$4,126
Travel-Occupational Accident Insurance	Deaths	0	0	0
	Benefits Paid	$0	$0	$0
Dental Plans	Benefits Paid	$14,027	$14,524	$14,982
Long-Term Disability Income Continuance Plan	Benefits Paid	$19,988	$21,133	$23,276
	Number of employees receiving benefits	1,059	1,098	1,314
	Number of new claims during the year	200	312	289

Source: Personnel Administration Office; Great-West Life Assurance Company

About the Plans

Extended Medical Benefits and Prescription Drug Plans

These plans provide optional coverage for prescription drugs and other medical services. Employees and the employer share the premiums associated with participating in the plan.

Travel-Occupational Accident Insurance

This plan covers wage and a small number of other employees who are not covered under the life insurance plan. The plan is employer-funded and is for accidents causing death or dismemberment which occur at work or when traveling on government business. The principal benefit is equal to four times an employee's salary to a maximum of $180,000.

Dental Plans

The dental plans reimburse up to 80 per cent for basic dental services and, up to 50 per cent for major services and orthodontic services (within annual limits). An enhanced employee-paid plan for management and non-union employees provides a higher reimbursement level. All plans cover the employee, the employee's spouse or benefit partner and eligible children.

Long-Term Disability Income Continuance Plan

Employees unable to perform at least 60% of their job duties or undertake employment due to their medical condition are provided with benefits equal to 70% of their pre-disability salary. Employees capable of returning to work receive rehabilitation and re-employment assistance.

SUPPLEMENTAL INFORMATION
Employee Funded Leave Program

Employees may regularly set aside a portion of their salaries with the trustee for this program. They receive the deferred salary back at a later date while on a leave of absence ranging from 4 to 12 months in length. Nineteen employees participated in the program this year with the value of the program fund at $492,110 as of March 31, 2005.

SUPPLEMENTAL INFORMATION
Profile of the Alberta Public Serivce

As of March 31, 2005 there were 23,197 salaried[3] employees in the Alberta public service, a slight increase over March 31, 2004 when there were 22,589 employees.

Distribution of staff by department

Department	Employees	Percentage of Public Service
Aboriginal Affairs and Northern Development	70	0.3%
Advanced Education	434	1.9%
Agriculture, Food and Rural Development	1,096	4.7%
Children's Services	2,688	11.6%
Community Development	788	3.4%
Economic Development	228	1.0%
Education	720	3.1%
Energy	564	2.4%
Environment	767	3.3%
Executive Council	84	0.4%
Finance	501	2.2%
Gaming	42	0.2%
Government Services	473	2.0%
Health and Wellness	887	3.8%
Human Resources and Employment	2,107	9.1%
Infrastructure and Transportation	1,742	7.5%
Innovation and Science	97	0.4%
International and Intergovernmental Relations	64	0.3%
Justice & Attorney General	2,282	9.8%
Legislative Assembly	79	0.3%
Municipal Affairs	333	1.4%
Office of Auditor General	120	0.5%
Office of the Chief Electoral Officer	10	0.0%
Office of the Ethics Commissioner	2	0.0%
Office of Information and Privacy Commissioner	38	0.2%
Office of the Ombudsman	19	0.1%
Personnel Administration Office	84	0.4%
Public Affairs Bureau	195	0.8%
Restructuring and Government Efficiency	1,261	5.4%
Seniors and Community Supports	1,811	7.8%
Solicitor General	1,999	8.6%
Sustainable Resource Development	1,612	6.9%
	23,197	100.0%

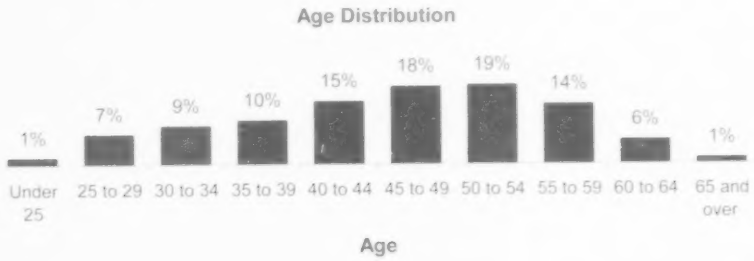
Source: IMAGIS database (the integrated management information system for human resources for the Government of Alberta); Legislative Assembly Office; Office of the Ethics Commissioner, Office of the Information and Privacy Commissioner

[3] Salaried staff includes permanent, temporary, and long term wage employees.

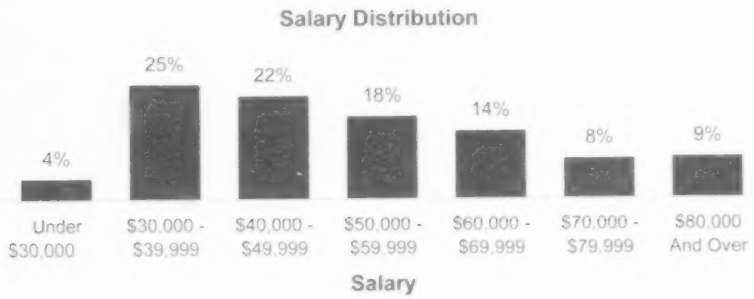
SUPPLEMENTAL INFORMATION
Employee distrubtion (age, salary and location)

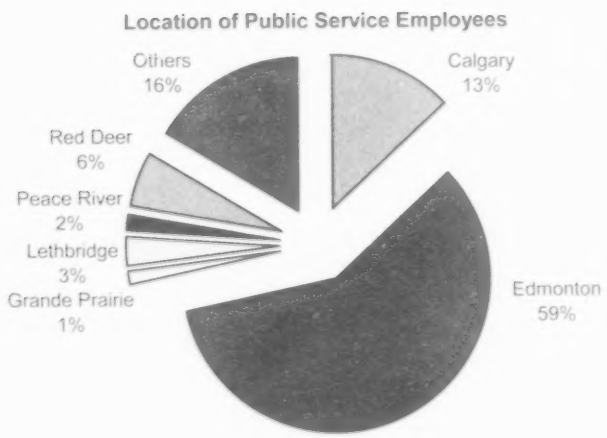
The following charts include permanent, temporary and long-term wage employees. Data is obtained from IMAGIS HR module.

The average age of permanent salaried public service employees remained at 46 in 2004/05.



The average annual salary of permanent full time public service employees in 2004/05 was $55,269.





Alberta Labour Relations Board

INTEGRATED RESULTS ANALYSIS

- Integrated Results Analysis (Program and Financial)
- Results Analysis and Discussion

Integrated Results Analysis for Core Business:

Alberta Labour Relations Board

INVESTIGATIONS AND MEDIATION

Goal 8: The Alberta labour relations community receives timely, effective and efficient services

Section Reference: *See Results Analysis and Discuss. – Goal 8 Section: Page 90*

PERFORMANCE MEASURES	Target	Results	Variance
8.a Average number of days from the acceptance of an application to the date of the first hearing.	48	78	(30)

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	$1,316	*See Supplemental Ministry Information Section*
	Actual Spending	$1,316	
	Variance	0	

INTEGRATED RESULTS ANALYSIS

Economic impacts on unionized workplaces as well as ongoing, sector-based, collective bargaining issues such as created by the roll-up of the 17 Regional Health Authorities into 9 in 2003 impact this performance measure.

This year the Board experienced an increase in the average number of days from the acceptance of an application to the date of the first hearing from last year's result of 67 days to the 2004/05 figure of 78 days. This increase of 11 days was caused by the closing of a number of long-term files (e.g. four matters at 2,449 days) that were left open at the request of the parties.

Goal 9: Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings

Section Reference: *See Results Analysis and Discuss. – Goal 9 Section: Page 91*

PERFORMANCE MEASURES	Target	Results	Variance
9.a Percentage of applications, with Board involvement, settled before reaching a formal hearing.*	53%	79%	26%

* Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Board settlement efforts.

FINANCIAL RESOURCES	Section Reference
This particular performance measure draws from both Board core businesses. It is impractical to separate the resources taken from the various core businesses' expenditures.	*See Supplemental Ministry Information Section*

INTEGRATED RESULTS ANALYSIS

The complexity of the issues and the relationship that exists between the parties involved and their willingness to buy into the settlement process are environmental factors influencing settlement rates.

While the Board exceeded its target by 26% for the fiscal year 2004/05, it must be noted that a few unusual files inflated this result. For example, one settled file included 318 of the total 960 matters affecting this performance measure's calculation. Without this file, the Board's settlement rate would have dropped from 79% to 68%. There were five other files that contained an unusually high number of matters that also affected this measure.

Integrated Results Analysis for Core Business:

Alberta Labour Relations Board

ADJUDICATION

Goal 10: Make clear and timely decisions for the parties to quickly implement the resolution

Section Reference: *See Results Analysis and Discuss – Goal 10 Section: Page 92*

PERFORMANCE MEASURES		Target	Results	Variance
10.a	Percentage of decisions rendered within 90 calendar days from the completion of the formal hearing(s).	85%	76%	(9)%
10.b	Percentage of decisions rendered within 180 calendar days from the completion of the formal hearing(s).	100%	95%	(5)%

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	$1,545	*See Supplemental Ministry Information Section*
	Actual Spending	$1,496	
	Variance	$49	

INTEGRATED RESULTS ANALYSIS

The complexity of the issues being dealt with and the ratio of time spent hearing matters versus the time allotted for writing are environmental factors that influence the length of time it takes to render a decision. Board adjudicators sat hearings totaling 993 hours in 2004/05 versus 668 hours in 2003/04, an increase of 49%. This impacts the amount of time the adjudicators can reserve for decision writing. This factor was the major reason why the Board missed its target of 85% of decisions rendered in 90 days by 9% in 2004/05.

In 2004/05 there was a surplus of $49,000 for this core business due to a less than anticipated use of mediation and arbitration services stemming from the amalgamation of Regional Health Authorities initiated by the *Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003*.

Alberta Labour Relations Board

Detailed Program Results Analysis and Discussion

Goals, strategies, measures and desired results

Goal 8:

The Alberta labour relations community receives timely, effective and efficient services

What it means

It is important that labour relations matters be dealt with as quickly as possible to ensure situations do not grow into larger more complicated issues. The Alberta Labour Relations Board ensures the effectiveness of the investigation process.

STRATEGY 8.1
Investigate applications in a timely and accurate manner to ensure early resolution of differences.

The Board continues to book hearing dates as soon as possible once the application has been received. Labour Relations Officers and Management use reports from the Board's extensive case management system to monitor the timeliness of its processes and to re-direct resources to those files that require them.

PERFORMANCE MEASURE 8.a
Average number of days from the acceptance of an application to the date of the first hearing

	2001/02	2002/03	2003/04	2004/05	Target
Average Number of Days	N/A	49	67	78	48

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to applications and hearing dates. In this performance measure, a report has been created from the database that identifies each matter before the Board during the reporting period. It calculates the average number of calendar days for all matters from the date of the application to the first day of the first hearing.

As requested by the Auditor General, the Board has made changes to its methodology for 2004/05. Historical figures have been amended to reflect these changes for comparison purposes.

ANALYSIS OF PERFORMANCE MEASURE

This year the Board experienced an increase in the average number of days from the acceptance of an application to the date of the first hearing from last year's result of 67 days to the 2004/05 figure of 78 days. This increase of 11 days stems mainly from the closing of a number of long-term files (eg. four matters at 2,449 days) that were left open at the request of the parties, taking control of the file out of the Board's hands. The Board's case management system will be revised to identify and track these periods of time when the file is on hold at the parties' request while still tracking the time when the Board is in control of the file. This should allow the Board to continue to use the performance measure targets identified in the Business Plan.

Goal 9:

Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings

What it means

Facilitated settlements help build effective relationships. In many applications, the Alberta Labour Relations Board works with the parties to help settle disputes before they get to hearing.

STRATEGY 9.1
Ensure that Board officials develop and maintain the proper facilitation skills required and that these techniques and skills are applied to all appropriate applications.

All Labour Relations Officers and Adjudicators continue to obtain training in the use of Alternative Dispute Resolution methods through a combination of regular academic course work and observing the methods used by the Board's senior staff. The Resolution Conference initiative continues to provide settlement opportunities for the parties using the Board's adjudicative staff.

PERFORMANCE MEASURE 9.a
Percentage of applications, with Board involvement, settled before reaching a formal hearing

	2001/02	2002/03	2003/04	2004/05	Target
Percentage of Applications	55%	57%	55%	79%	53%

Note:
Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Board settlement efforts.

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to the disposition of matters. In this performance measure, a report is created from the database that identifies each matter before the Board and the type of resolution for that matter (withdrawal/informal/settlement). The number of matters resolved before hearings are identified and calculated as a percentage of all matters.

ANALYSIS OF PERFORMANCE MEASURE

The Board exceeded its target by 26% for the fiscal year 2004/05. It must be noted that a few anomalous files inflated this result. For example, one settled file included 318 of the total 960 matters affecting this performance measure's calculation. Without this file the Board's settlement rate would have dropped from 79% to 68%. There were five other files that contained an unusually high number of matters that affected this measure. Files like these are not common and the Board does not feel the need to adjust our targets.

Goal 10:

Make clear and timely decisions for the parties to quickly implement the resolution

What it means

It is important for labour relations decisions to be well reasoned and researched, but this must be tempered by the needs of the parties to have issues resolved quickly. The Alberta Labour Relations Board balances the needs for accuracy with the effectiveness of the decision-making process and the needs of the parties.

STRATEGY 10.1
Render decision within 90 calendar days from the completion of formal hearing(s).

The Board adjudicators have access to case management reports that identify potentially late decisions. This allows for the adjustment of the hearing time versus. writing time balance to enable them to meet the target.

STRATEGY 10.2
Render all decisions within 180 calendar days from the completion of formal hearing(s).

Same as Strategy 10.1 above.

PERFORMANCE MEASURE 10.a
Percentage of decisions rendered within 90 calendar days from the completion of formal hearing(s).

	2001/02	2002/03	2003/04	2004/05	Target
Percentage of Decisions	84%	87%	71%	76%	85%

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

ANALYSIS OF PERFORMANCE MEASURE

In 2004/05, Board adjudicators sat hearings totaling 993 hours in 2004/05 versus 668 hours in 2003/04, an increase of 49%. The extra hearing times in 2004/05 impacted the amount of time the adjudicators could reserve for decision writing, causing delays. While the 2004/05 result was 5% better than 2003/04 result, it was still 9% short of our intended target. (Note: 2003/04 results were low due the priority given to those cases related to the *Labour Relations (Health Authorities Restructuring) Amendment Act, 2003.*) This added hearing time was the major reason why the Board missed its target of 85% of decisions rendered in 90 days by 9% in 2004/05.

PERFORMANCE MEASURE 10.b
Percentage of decisions rendered within 180 calendar days from the completion of formal hearing(s).

	2001/02	2002/03	2003/04	2004/05	Target
Percentage of Decisions	Not a measure	Not a measure	95%	95%	100%

Source/Methodology:
The Alberta Labour Relations Board Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 180 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

ANALYSIS OF PERFORMANCE MEASURE

The impact of the longer hours spent in hearings (identified in the analysis of measure 10.a) also negatively affected this measure but to a lesser degree.

Appeals Commission for
Alberta Workers' Compensation

INTEGRATED RESULTS ANALYSIS

- Integrated Results Analysis (Program and Financial)
- Results Analysis and Discussion

Integrated Results Analysis for Core Business:

Appeals Commission for Alberta Workers' Compensation

PROVIDING APPEAL SERVICES FOR WORKERS' COMPENSATION MATTERS

Goal 11: Provide a timely appeal service

Section Reference: *See Results Analysis and Discussion – Goal 11 Section: Page 98*

PERFORMANCE MEASURES		Target	Results	Variance
11.a	Average number of days from appeal to decision issued.	134	243	(109)
11.b	Average number of days from hearing to decision issued.	30	30	0
11.c	Percentage of initial appeals processed within 125 days.	60%	15%	(45%)
11.d	Percentage of initial decisions issued within 30 days of hearing.	80%	68%	(12%)

Goal 12: Provide fair and independent decisions on appeals

Section Reference: *See Results Analysis and Discussion – Goal 12 Section: Page 99*

PERFORMANCE MEASURES		Target	Results	Variance
12.a	Number of decisions sent back by the Courts for the Appeals Commission to rehear.	1	0	1
12.b	Number of decisions sent back by the Ombudsman to the Appeals Commission with recommendations to correct procedural efficiencies or rehear.	2	0	2
12.c	Number of times the Appeals Commission reconsidered its own decision ("own motion").	3	6	(3)
12.d	Number of decisions clarified by the Appeals Commission at the request of a party.	6	9	(3)

Goal 13: Provide accessible and transparent appeal services

Section Reference: *See Results Analysis and Discussion – Goal 13 Section: Page 101*

PERFORMANCE MEASURES		Target	Results	Variance
13.a	Satisfaction with accessibility of information and services.	To be determined		
13.b	Satisfaction with transparency of procedures and policies used.	To be determined		
13.c	Satisfaction with expertise, skills, knowledge and competencies.	To be determined		
13.d	Satisfaction with courtesy and respect perceived when dealing with the Commission.	To be determined		

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	6,937	*See Supplemental Ministry Information Section*
	Actual Spending	6,912	
	Variance	25	

INTEGRATED RESULTS ANALYSIS

The performance measure targets were projected based on a five-year average workload. Staffing resources remained the same as in 2003/04 because it was thought that the increase in the number of appeals received was a one-time influx. The substantial increase now appears to be a new sustained level of intake and the Commission only reached the resource levels to address the increased workload close to the end of the 2004/05 fiscal year. As a result, the backlog created over the two-year period has resulted in extended time lines.

Appeals Commission for Alberta Workers' Compensation

Detailed Program Results Analysis and Discussion

Goals, strategies, measures and desired results

Goal 11: To provide a timely appeal service

What it means

Appeals need to be decided within appropriate time limits. The Appeals Commission for Alberta Workers' Compensation strives to improve its appeal process and the timeliness of decisions.

STRATEGY 11.1
Ensure prehearing appeal readiness.

A significant number of persons are not ready to proceed when they file their appeal. The Appeals Commission continues to work with parties to explore their readiness to proceed by clarifying issues, explaining legislative and policy requirements and ensuring all relevant information is presented at the preparation phase (avoiding possible future delays at the hearing stage).

STRATEGY 11.2
Provide and encourage alternate resolution mechanisms.

After evaluating alternate resolution mechanisms, it was determined that formalized programs were not appropriate at the final level of appeal.

PERFORMANCE MEASURE 11.a
Average number of days from appeal to decision issued

	2003/04	2004/05	Target
Average number of days	202	243	134

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

PERFORMANCE MEASURE 11.b
Average number of days from hearing to decision issued

	2003/04	2004/05	Target
Average number of days	28	30	30

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the average number of days from the date of hearing until the panel issues the final decision.

PERFORMANCE MEASURE 11.c
Percent of initial appeals processed within 125 days

	2003/04	2004/05	Target
Percent of initial appeals	23%	15%	60%

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the average number of days since an appeal is first entered into the system until the Appeal is concluded. Those appeals that are processed within 125 days or less are calculated as a percentage of the total number of appeals concluded within the reporting period.

PERFORMANCE MEASURE 11.d
Percent of initial decisions issued within 30 days of hearing

	2003/04	2004/05	Target
Percent of initial decisions	72%	68%	80%

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the average number of days from the date of the hearing until the appeal is concluded. Those appeals that are processed within 30 days or less of the hearing are calculated as a percentage of the total number of appeals concluded within the reporting period.

ANALYSIS OF PERFORMANCE MEASURE

The performance measure targets were projected based on a five-year average workload. Staffing resources remained the same as in 2003/04 because it was thought that the increase in the number of appeals received in that year was a one-time influx. The substantial increase now appears to be a new sustained level of intake and the Commission only reached the resource levels to address the increased workload close to the end of the 2004/05 fiscal year. As a result, the backlog created over the two-year period has resulted in extended time lines.

Note to reader: The goals and performance measures have been changed in the Ministry of Human Resources and Employment business plan for future years in order to reflect implications of increased appeal workloads.

Goal 12:

Provide fair and independent decisions on appeals.

What it means

Independence of process and procedure and quality and consistency of decisions are important indicators of the effectiveness of appeal processes. The consistent application of legislation and policy by the Appeals Commission for Alberta Workers' Compensation will ensure greater fairness is achieved and will increase the number of decisions upheld on review.

STRATEGY 12.1
Build the competency base of the Appeals Commission through training and effective recruitment.

The Appeals Commission continues to recruit new appeals commissioners through advertising positions and completing a comprehensive interview process involving our stakeholders. Hearing Chairs and Commissioners will continue to be provided comprehensive training in decision-making, decision-writing and administrative justice.

PERFORMANCE MEASURE 12.a
Number of decisions sent back by the Courts for the Appeals Commission to rehear

	2003/04	2004/05	Target
Number of decisions	0	0	1

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions sent back by the Courts. In 2002 the *Workers' Compensation Act* was amended to include a statutory right of appeal (s.13.4) on questions of law or jurisdiction.

PERFORMANCE MEASURE 12.b
Number of decisions sent back by the Ombudsman to the Appeals Commission with recommendations to correct procedural efficiencies or rehear

	2003/04	2004/05	Target
Number of decisions	3	0	2

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions sent back by the Ombudsman to the Appeals Commission with recommendations to correct procedural deficiencies or to rehear. An individual who feels they have been treated unfairly by the Appeals Commission, can, by written complaint, request the Ombudsman to investigate actions, decisions, practices and procedures.

PERFORMANCE MEASURE 12.c
Number of times the Appeals Commission reconsiders its own decision ("own motion")

	2004/05	Target
Number of decisions	6	3

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of times the Appeals Commission reconsiders its own decision. In 2003/04, this report produced the total number of applications reconsidered. In 2004/05, this report produced the total number of claims reconsidered since each claim causes a separate reconsideration process even though the claim may be under the same application number as another claim. This change in methodology results in the 2003/04 measure not being comparable to 2004/05. Under section 13.1(7) of the *Workers Compensation Act* the Appeals Commission, at its discretion on the application of a person with a direct interest, or on its own motion, may reconsider any matter that it has dealt with.

PERFORMANCE MEASURE 12.d
Number of decisions clarified by the Appeals Commission at the request of a party

	2003/04	2004/05	Target
Number of decisions	5	9	6

Source/Methodology: The Appeals Commission Appeals Management System (AMS) tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions clarified by the Appeals Commission at the request of a party. Under section 13.2(7) of the *Workers' Compensation Act*, at the request of an affected person or the Board, the Appeals Commission may clarify any direction given in respect of a decision.

ANALYSIS OF PERFORMANCE MEASURE

The legislative changes to the *Workers' Compensation Act* which allow for direct appeals to the Courts continue to impact the number of decisions that the Appeals Commission reconsiders on its "own motion" and the number of decisions clarified.

Note to reader: The goals and performance measures have been changed in the Ministry of Human Resources and Employment business plan for future years in order to reflect implications of increased appeal workloads.

Goal 13: Provide accessible and transparent appeal services

What it means

Appeals services should be based on the values of respect, excellence, fairness and co-operation. The Appeals Commission for Alberta Workers' Compensation will continue to develop the expertise and knowledge base of the Commission as well as develop and implement services and processes that satisfy the needs of stakeholders.

STRATEGY 13.1
Provide opportunities for stakeholders' input into the quality and effectiveness of Appeals Commission processes and services.

The Appeals Commission held an Annual General Meeting where stakeholders were provided with a summary of activities for the year and allowed an opportunity for input as to the quality and effectiveness of the Commission's processes and services. The Commission continues to develop the validity and accuracy of a survey instrument.

PERFORMANCE MEASURE 13.a
Satisfaction with accessibility of information and services
(Under development)

The Appeals Commission is in the process of reviewing and re-defining parameters for a survey instrument.

ANALYSIS OF PERFORMANCE MEASURE
Not applicable for 2004/05.

PERFORMANCE MEASURE 13.b
Satisfaction with transparency of procedures and policies used
(Under development)

The Appeals Commission is in the process of reviewing and re-defining parameters for a survey instrument.

ANALYSIS OF PERFORMANCE MEASURE
Not applicable for 2004/05.

PERFORMANCE MEASURE 13.c
Satisfaction with expertise, skills, knowledge and competencies
(Under development)

The Appeals Commission is in the process of reviewing and re-defining parameters for a survey instrument.

ANALYSIS OF PERFORMANCE MEASURE
Not applicable for 2004/05.

PERFORMANCE MEASURE 13.d
Satisfaction with courtesy and respect perceived when dealing with the Commission
(Under development)

The Appeals Commission is in the process of reviewing and re-defining parameters for a survey instrument.

ANALYSIS OF PERFORMANCE MEASURE
Not applicable for 2004/05.

Note to reader: The goals and performance measures have been changed in the Ministry of Human Resources and Employment business plan for future years in order to reflect implications of increased appeal workloads.

MINISTRY FINANCIAL STATEMENTS

- Financial Analysis and Discussion
- Financial Statements
- Supplementary Ministry Financial Information
- Workers' Compensation Board – Other Financial Information – Financial Statements

Ministry of Human Resources and Employment

Financial Analysis and Discussion

The following financial statements for the Ministry of Human Resources and Employment relate to the activities of the:

- Department of Alberta Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)
- Appeals Commission for Alberta Workers' Compensation (Appeals Commission)

Pursuant to the *Government Accountability Act*, the activities of the Workers' Compensation Board – Alberta (WCB) are not included in the financial statements of the Ministry of Human Resources and Employment. The WCB's activities are reported separately. The audited financial statements and a brief analysis of financial results are included in this Ministry annual report on page 191.

Financial Information
Financial Results and Performance

Accountability

Financial results of the Ministry of Human Resources and Employment for the year ended March 31, 2005, include the activities of the Personnel Administration Office, the Alberta Labour Relations Board, Workers' Compensation Appeals and the Department of Alberta Human Resources and Employment. More detail and information can be found in the Ministry's financial statements included in the Annual Report, beginning on page 113

(In thousands)

	2005				2004
	Original Budget	Authorized Supplementary	Authorized Budget	Actual	Actual
Revenue					
Transfers from Government of Canada	$ 219,461	$ 2,800 (c)	$ 222,261	$ 214,019	$ 220,369
Internal Government Transfers	20,233	-	20,233	20,233	3,600
Premiums, Fees and Licences	264	-	264	327	290
Other Revenue	18,662	2,500 (d)	21,162	25,228	17,605
	258,620	5,300	263,920	259,807	241,864
Expenses					
Voted:					
Ministry Support Services	25,310	-	25,310	24,881	24,085
People Investments	390,544	14,925 (a)	405,469	420,530	394,834
Skills Investments	282,264	2,800 (c)	285,064	268,259	283,896
Workplace Investments	22,599	2,500 (d)	25,099	24,377	23,310
Labour Relations and Adjudication	2,846	-	2,846	2,797	2,933
Personnel Administration Office	8,709	-	8,709	8,610	8,413
Workers' Compensation Appeals	6,937	-	6,937	6,912	6,097
Salary Contingency	-	16,886 (b)	16,886	-	-
Program Operating Expense	739,209	37,111	776,320	756,366	743,568
Program Capital Investment	3,598	-	3,598	2,586	2,594
Total Expenses and Capital Investments	742,807	37,111	779,918	758,952	746,162
Statutory Expenses					
Valuation Adjustments	2,659	-	2,659	1,988	4,344
	745,466	37,111	782,577	760,940	750,506
Net Operating Results	**$(486,846)**	**$ (31,811)**	**$(518,657)**	**$(501,133)**	**$(508,642)**

Note: The 2005 authorized budget includes additional funding of $37.1 million provided by Supplementary Estimate and $5.3 million of dedicated revenue provided by Treasury Board Minutes:

(a) Within People Investments, $14.9 million for Income Support and Health Benefit for People Not Expected to Work program owing to higher caseload and costs-per-case.

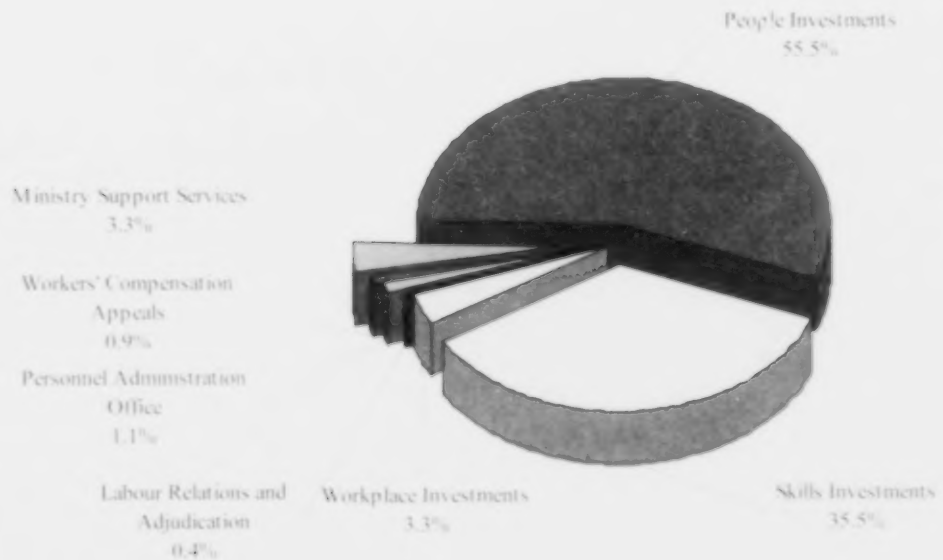
(b) Human Resources and Employment administered $20 million, on behalf of all departments, to pay for higher-than-budgeted salaries, wages and employee benefit costs. Of the $20 million, $3.1 million was allocated to other departments and $16.9 million was lapsed.

(c) Within Skills Investments funding from the Federal Government of $2.8 million for the Labour Market Agreement for Persons with Disabilities was added to the budget to increase employment and training opportunities.

(d) Within Workplace Investments recovery from the Workers' Compensation Board, of $2.5 million was added to the budget to defray the costs of administering the Occupational Health and Safety Act.

Source of Actual Revenue - $259.8 million

Actual Operating Expenses by Program - $756.4 million



Discussion of Financial Results/Performance

Results of Operations

The Ministry of Human Resources and Employment balanced its 2004/05 authorized budget. As reported in the 2004/05 Government of Alberta Annual Report, the Ministry ended the year spending $4.1 million less than the authorized budget of $780.0 million. The ministry administered $20 million, on behalf of all departments, to pay for higher than budgeted salaries, wages and employee benefit costs. Of this $20 million, $3.1 million was allocated to other departments and $16.9 million was lapsed.

Revenues

The Ministry's 2004/05 revenues were $259.8 million, approximately $17.9 million higher than the previous year. This reflects a combination of decreased transfers from the Government of Canada for the Canada Social Transfer representing block funding for provincial "social service" programs, increased funding from the Lottery Fund targeted to support public and community-based initiatives for Disability Related Employment, Summer Temporary Employment Programs and Immigrant Support Services. As well, increased funding was received from the Workers' Compensation Board to fund the Workplace Health and Safety programs and Appeals Commission for Alberta Workers' Compensation.

Expenses

The Ministry's annual spending increased $12.8 million from 2003/04, consistent with the approved increase to the ministry's base budget. It was invested in a new initiative and continued long-term improvements for Albertans that the ministry had undertaken in areas of income support, adult and child health benefits, disability related employment support, workplace health and the safety and the Appeals Commission's ability to increase appeals service levels.

The Labour Market Agreement for Persons with Disabilities Demonstration Project is a new initiative related to supporting working age people with disabilities to prepare for, attain and retain employment. Federal government funding of up to $2.8 million is available to partially offset the costs of this program.

Program Comparison of 2004/05 Authorized Budget to Actuals

The following provides explanations of the major program variances:

People Investments – The continued increase in helping Albertans meet their basic needs and be as independent as possible resulted in an over expenditure of $14.6 million.

- **Income Supports** – Funds are invested to provide benefits to individuals and their families when earnings are insufficient to provide for basic necessities, if they are currently temporarily unavailable for employment or training programs, or they are unable to work due to persistent health problems or multiple barriers to employment. This resulted in an over expenditure of $7.4 million due to increased caseload and non-medical costs such as utility hook-ups and reconnections and additional supplementary benefits.

- **Health Benefits** – Funds are invested in providing premium free coverage for child and adult health benefits for children in low-income families who apply for the benefit and to former Expected to Work parents and Not Expected to Work Income Support clients who leave the program for employment. Clients who leave the Assured Income for the Severely Handicapped program due to employment or receive Canada Pension Plan Disability are also eligible. The continuing increase in caseloads, partially due to our success in moving individuals and families to training and employment, increased drug prices and contracted medical processing fees resulted in an over expenditure of $7.1 million.

Skills Investments – The program supports Albertans to continue to acquire the knowledge and the skills they need to identify and participate in future opportunities and to be self-reliant and contributing members of society. Lower numbers of people accessing training resulted in an under expenditure of $16.8 million in this program.

- **Career Information** – An increase in job placement services was partially offset by decreased utilization of career and employment consulting services and labour market information to Albertans, and an increase in youth connection services resulted in an over expenditure of $2.3 million.

- **Income Support for Learners** – A robust economy that encouraged people to work rather than take upgrading led to a spending reduction of $5.2 million in learner living allowances and medical benefits for learners attending approved tuition-based programs.

- **Work Foundations** – A reduction in learner enrolments in full and part-time academic upgrading and English as a Second Language, also likely due to the favourable economic conditions in Alberta, resulted in lower expenditures of $1.8 million.

- **Training for Work** – Similar to other employment training programs, decreased enrolments in occupational, apprenticeship, self employment training and First Nations training, which was partially offset by increased utilization in disability related programs, resulted in an under expenditure of $14.5 million.

- **Program Support** – An additional $2.4 million was incurred for negotiated staff salary settlement costs and increases in the costs of material and supplies services.

Workplace Investments – Providing for a healthy and safe work environment for Albertans and contributing to reducing workplace incidents by 4% resulted in an under expenditure of only $0.7 million.

- **Workplace Health and Safety** - Additional funding of $2.5 million from Workers' Compensation Board was provided to cover increased delivery costs attributed to inspection activities for stand-by and incident callout, and travel and safety equipment for the inspectors resulting in an under expenditure of $0.7 million.

Capital Investments – The $1.0 million under expenditure was a result of efforts required to implement the systems changes associated with the new Income and Employment Supports system, which delayed other ministry system projects.

Statutory Expenses –Are valuation adjustments, such as provision for doubtful accounts, vacation pay liability, provision for reduction of investments to market, and obligations under guarantees that do not represent payments of public money.

- The Bargaining Unit Long Term Disability Income Continuance Plan (the Plan), administered by Personnel Administration Office (PAO) on behalf of the Government of Alberta, provides disability benefits and insures income continuance of eligible Government of Alberta employees included in an Alberta Union of Provincial Employee's (AUPE) bargaining unit. The Plan had an overall decrease of $1.1 million largely due to a reduction of the discount rate from 7% to 6.5%. Management and employees opted out and excluded are covered under a separate plan.

- The provision for vacation pay had an increased adjustment of $0.4 million due to a higher than budgeted accrued vacation pay liability.

Ministry Core Business

Core Business (in thousands)	2004-2005 Original Budget (1)	2004-2005 Actuals	2003-2004 Actuals (comparable)
People Investments	404,782	435,671	409,157
Skills Investments	292,537	277,618	293,636
Workplace Investments	23,422	25,227	24,110
Human Resources Management	11,344	10,129	11,979
Labour Relations – Adjudication	1,699	1,510	1,584
Labour Relations – Investigations/Medications	1,147	1,287	1,349
Workers' Compensation Appeals	6,937	6,912	6,097
Total Ministry Core Business Expense	**741,868**	**758,354**	**747,912**

(1) Authorized Supplementary is not included in the Core Business Original Budget

Comparison of 2004/05 Budget to 2004/05 Actuals by Core Business

- For reasons noted earlier, People Investments was $30.9 million higher than budget due to higher income supports costs per case and higher health benefits caseloads and costs per case.

- Skills Investments expenses were approximately $14.9 million less than budgeted due to a robust economy in Alberta resulting in many people choosing to work rather than enrolling in English as a Second Language, upgrading, basic skills training, and integrated and occupational training programs.

- Workplace Investments spent $1.8 million more than the budget due to increased costs associated with the highly successful Work Safe Alberta program, and higher than anticipated support and delivery costs required for increased worksite inspections.

- Human Resources Management had a decrease in the provision for the Long Term Disability Income Continuance plan of $1.1 million due to a reduction of the plan discount rate from 7% to 6.5%. The plan is administered on behalf of the Government by the Personnel Administration Office.

- Actual combined spending on Labour Relations was $0.05 million less than budgeted. The slight under expenditure was due to lower than anticipated costs for mediation and adjudication services related to the reduction in the Health Authorities initiative.

- Workers' Compensation Appeals costs were only $0.03 million less than budgeted due to lower than anticipated expenditures related to appeal decisions made by the Workers' Compensation Board.

Comparison of 2004/05 Actuals to 2003/04 Comparable Actuals by Core Business

- The increase of $26.5 million in People Investments core business was due to overall higher Income Supports caseloads in all programs and increased medical and non-medical costs per case. Increased program support and delivery costs were partially attributed to the implementation of the Alberta Works program. Supplementary estimates of $14.9 million were allocated to People Investments to partially cover increased caseloads for statutory and non-statutory programs such as Income Support and Health Benefits.

- Spending in Skills Investments decreased by $16.0 million due to lower than anticipated academic upgrading learner enrolments which was partially offset by increased demand in job placement and youth connections services, workplace training and integrated and occupational training contracts.

- Increased actual expenses in Workplace Investments of $1.1 million was due to the Work Safe Alberta Initiative, as well as, increased costs associated with managing the Workplace Health and Safety and Employment Standards call centres.

- Human Resources Management had a reduction of $1.9 million due to a decrease in the valuation adjustment of the Long Term Disability Income Continuance plan.

- Actual expenses for Labour Relations decreased by $0.1 million as a result of the Labour Relations Board having a series of one-time costs in 2003/04 related to votes to determine bargaining units and collective agreement for the Regional Health Authorities restructuring.

- An increase in expenses of $0.8 million for the Workers' Compensation Appeals was a result of the Appeals Commission's efforts to increase service levels to handle more appeals.

Ministry of Alberta Human Resources and Employment

Financial Statements

For the year ended March 31, 2004

- Auditor's Report
- Statement of Operations
- Statement of Financial Position
- Statement of Cash Flow
- Notes to the Ministry Financial Statements
- Schedule 1 – Revenue
- Schedule 2 – Dedicated Revenue Initiatives
- Schedule 3 – Expenses Directly Incurred – Detailed by Object
- Schedule 4 – Budget
- Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget
- Schedule 6 – Salary and Benefit Disclosure
- Schedule 7 – Related Party Transactions
- Schedule 8 – Allocated Costs
- Supplementary Ministry Financial Information
  - Ministry Expenses by Core Business
  - Ministry Expenses by Function
  - Statement of Remissions, Compromises and Write-Offs
  - Long Term Disability Income Continuance Fund – Bargaining Unit Financial Statements
  - Long Term Disability Income Continuance Fund – Management, Opted Out and Excluded Financial Statements

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Human Resources and Employment (the Ministry) as at March 31, 2005 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all materials respects, the financial position of the Ministry as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 20, 2005

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF OPERATIONS
For the year ended March 31, 2005

(in thousands)

	2005		2004
	Budget (Schedule 4)	Actual	Actual (Restated Note 3)
Revenue (Schedules 1 and 2)			
Transfers from Government of Canada	$ 219,461	$ 214,019	$ 220,369
Internal Government Transfers	20,233	20,233	3,600
Fees, Permits and Licences	264	327	290
Other Revenue	18,662	25,228	17,605
	258,620	259,807	241,864
Expenses Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	25,310	24,881	24,085
People Investments	390,544	420,530	394,834
Skills Investments	282,264	268,259	283,896
Workplace Investments	22,599	24,377	23,310
Labour Relations and Adjudication	2,846	2,797	2,933
Personnel Administration Office	8,709	8,610	8,413
Workers' Compensation Appeals	6,937	6,912	6,097
	739,209	756,366	743,568
Statutory			
Valuation adjustments (Note 6)			
Provision for Doubtful Accounts, Vacation Pay and Employers Portion of the Long Term Disability Income Continuance Plan Liability	2,659	1,988	4,344
	741,868	758,354	747,912
Net Operating Results	$ (483,248)	$ (498,547)	$ (506,048)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF FINANCIAL POSITION
As at March 31, 2005

(in thousands)

	2005	2004 (Restated Note 3)
Assets		
Cash	$ 290	$ 178
Accounts Receivable (Note 4)	3,340	16,136
Advances (Note 5)	5,022	5,031
Tangible Capital Assets (Note 7)	8,812	8,876
	$ 17,464	$ 30,221
Liabilities		
Accounts Payable and Accrued Liabilities	$ 65,757	$ 49,904
Unamortized Deferred Capital Contribution	-	67
	$ 65,757	$ 49,971
Net Liabilities		
Net Liabilities at Beginning of Year	$ (19,750)	$ (81,315)
Net Operating Results	(498,547)	(506,048)
Net Transfers from General Revenues	470,004	567,613
Net Liabilities at End of Year	$ (48,293)	$ (19,750)
	$ 17,464	$ 30,221

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF CASH FLOW
For the year March 31, 2005

	(in thousands)	
	2005	2004
		(Restated Note 3)
Operating Transactions		
Net Operating Results	$ (498,547)	$ (506,048)
Non-cash items included in Net Operating Results		
Amortization (Schedule 3)	2,650	2,426
Valuation Adjustments	1,988	4,344
	(493,909)	(499,278)
Decrease in Accounts Receivable [a]	12,785	8,957
Decrease in Advances	9	9
(Decrease) Increase in Accounts Payable [a]	13,876	(86,837)
Decrease in Unamortized Deferred Capital Contribution	(67)	(186)
Cash Applied to Operating Transactions	(467,306)	(577,335)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(2,586)	(2,594)
Transfer of Tangible Capital Assets to Other Ministries (Schedule 7)	-	136
Cash Applied to Capital Transactions	(2,586)	(2,458)
Financing Transactions		
Net Transfer from General Revenues	470,004	567,613
(Decrease) Increase in Cash	112	(12,180)
Cash, Beginning of Year	178	12,358
Cash, End of Year	$ 290	$ 178

[a] Adjusted for valuation adjustments (Note 6).

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
NOTES TO THE MINISTRY FINANCIAL STATEMENTS
For the year ended March 31, 2005

NOTE 1 Authority and Purpose

The Ministry of Human Resources and Employment operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Human Resources and Employment contributes to the Alberta Advantage by working with partners to:

- Assist Albertans to reach their full potential in society and the economy,
- Foster safe, fair, productive and innovative workplaces,
- Support those in need, and
- Provide strategic direction and services for human resource management in the Alberta public service.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all Ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Human Resources and Employment, for which the Minister of Human Resources and Employment is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Internal Government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a

supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, and long-term disability.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 – $15,000).

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts

Receivable (net) and Accounts Payable and Accrued Liabilities recorded as $3,340,000 and $65,757,000 respectively are subject to measurement uncertainty. The actual amounts collected or paid could vary significantly from that estimated.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

NOTE 3 Government Restructuring
(in thousands)

As a result of government restructuring announced November 25, 2004 (OC553/2004), there were the following changes in the responsibilities of the Ministry:

- The Assured Income for the Severely Handicapped program was transferred to the Ministry of Seniors and Community Supports

Additional restructuring includes:

- The Immigrant Support Services Program was transferred to the Ministry from the Ministry of Advanced Education.

Comparatives for 2004 have been restated as if the Ministry had always been assigned its current responsibilities.

The opening balance of net liabilities at the beginning of prior year has been restated as follows:

Net liabilities, as previously reported at March 31, 2003	$84,479
Transfer to Ministry of Seniors and Community Supports	(3,164)
Net liabilities, as restated at March 31, 2003	$81,315

The net operating results for the prior year have been restated as follows:

Net operating results, as previously reported at March 31, 2004	$(648,827)
Transfer to Ministry of Seniors and Community Supports	314,409
Transfer from Ministry of Advanced Education	43
Transfer Canada Social Transfer to other Ministries	(171,594)
Other transfer	(79)
Net operating results, as restated at March 31, 2004	$(506,048)

NOTE 4 Accounts Receivable
(in thousands)

	2005			2004 - Restated
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 3,255	$ 144	$ 3,111	$ 15,966
Refunds from suppliers	229	-	229	170
	$ 3,484	$ 144	$ 3,340	$ 16,136

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 Advances
(in thousands)

	2005	2004
Travel advances	$ 22	$ 31
Program advances	5,000	5,000
	$ 5,022	$ 5,031

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are for emergent benefits for clients.

NOTE 6 Valuation Adjustments
(in thousands)

	2005	2004- Restated
Provision for doubtful accounts	$ 11	$ (22)
Provision for vacation pay	458	828
Provision for the Government of Alberta's share of the Long-Term Disability Income continuance plans liability [1]	1,519	3,538
	$ 1,988	$ 4,344

[1] The Provision represents the change in liabilities in the preceding year in the amount of $1,519. The accrued benefit liability for the 186 multi-employer Long-Term Disability Income continuance plans at March 31, 2005 amounted to $8,732 (Note 11) and is included in accounts payable and accrued liabilities.

NOTE 7 Tangible Capital Assets
(in thousands)

	2005				2004
	Estimated Useful life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment [1]	3-5 Years	$ 597	$ 597	$ -	$ -
Systems Development and Enhancements	5-7 Years	25,253	16,441	8,812	8,876
		$ 25,850	$ 17,038	$ 8,812	$ 8,876

[1] Equipment includes vehicles.

NOTE 8 Contractual Obligations

At March 31, 2005, the Ministry has the following contractual obligations:

	2005	2004 - Restated
Service Contracts	$ 12,145	$ 14,003
Long-Term Leases [a]	1,427	1,656
	$ 13,572	$ 15,659

(a) The Ministry leases certain vehicles under operating lease agreements that expire on various dates to 2009. It is the Ministry's intention to maintain fleet inventory at present levels. The aggregate amount payable for the unexpired terms of these leases are as follows:

2006	$ 745
2007	426
2008	189
2009	67
	$ 1,427

NOTE 9 Contingent Liabilities

At March 31, 2005, the Ministry is a defendant in nine legal claims (2004 – fourteen legal claims). These claims have specified amounts totaling $14.3 million (2004 – $12.8 million). Eight claims amounting to $14.3 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

In addition, the Ministry is a defendant in a class action suit where the claim has not specified any amount. The Ministry has been jointly named with another entity. This claim is not covered by the Alberta Risk Management Fund. The ultimate outcome of the claim cannot be determined.

NOTE 10 Funds Under Administration
(in thousands)

The Ministry administers funds which are managed for the purpose of various trusts and employee benefit plans. These amounts have not been recorded in the Ministry's Financial Statements. As at March 31, 2005, funds under administration were as follows:

	2005			2004
	Total Assets	Total Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
Long-Term Disability Income Continuance Plans:				
Bargaining Unit [1]	$ 99,528	$ 111,345	$ (11,817)	$ (9,766)
Management, Opted Out and Excluded [1]	27,003	23,795	3,208	1,298
Group Life Insurance Plans:				
Bargaining Unit [2]	37,046	20,887	16,159	18,392
Management, Opted Out and Excluded [2]	11,993	9,049	2,944	5,781
Government of Alberta Dental Plan Trust [3]	5,027	1,210	3,817	2,438
Government Employees' Group Extended Medical Benefits Plan Trust [3]	2,967	1,707	1,260	967
Employment Standards Trust Fund [3]	206	-	206	299
	$ 183,770	$ 167,993	$ 15,777	$ 19,409

[1] Financial Statements of these funds can be found in the Supplementary Ministry Financial Information section of the Ministry of Human Resources and Employment 2004-05 Annual Report.
[2] This Group Life Insurance Plan is inclusive of Basic Group Life, Accidental Death and Dismemberment, Dependent Life, Enhanced Life and Retiree Life Insurance coverage.
[3] Trusts have a year ending December 31.

NOTE 11 Defined Benefits Plans
(in thousands)

Multi-Employer Pension Plans

The Ministry participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,419 for the year ending March 31, 2005 (2004 – $7,586).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 – $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 – $584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had a surplus of $9,404 (2003 – $9,312).

Long-Term Disability Income Continuance Plans

The Ministry also administers two multi-employer Long-Term Disability Income continuance plans on behalf of the Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

For the Bargaining Unit plan, the employers contribute at a rate of 1.55% of monthly insurable salary. At March 31, 2005, the Bargaining Unit plan reported an actuarial deficiency of $11,817 (2004 – $9,766). Long-term disability benefits are funded equally by the employers and employees in this plan. For the Management, Opted Out and Excluded

plan, the employers contribute at a rate of 1.7% of monthly insurable salary.
At March 31, 2005, the Management, Opted Out and Excluded plan reported an actuarial surplus of $3,208 (2004 – $1,298). Long-term disability benefits are funded by the employers in this plan.

At March 31, 2005, the Government of Alberta's share of the estimated accrued benefit liability for these two plans amounting to $8,732 has been recognized in these financial statements (Note 6). This amount is actuarially determined as the cost of employee benefits earned net of employers' contributions, interest expense on the accrued benefit obligation, expected return on the plan assets and amortization of deferred amounts using management's best estimates and actuarial assumptions. The Ministry, together with other participating ministries, records their share of employer contributions as expenses in their respective financial statements.

Group Life Insurance Plans

The Ministry also administers two multi-employer Group Life Insurance plans on behalf of the Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

The Basic Group Life Insurance and Accidental Death and Dismemberment insurance is funded two thirds by the employers and one third by the employees for the Bargaining Unit plan and the Management, Opted Out and Excluded plan. The Retiree Life Insurance is funded by the Basic Group Life premiums. All additional coverage is optional and funded by the employees for both plans.

At March 31, 2005, the Bargaining Unit plan reported an estimated surplus amounting to $16,159 (2004 – $18,392) and the Management, Opted Out and Excluded plan reported an estimated surplus of $2,944 (2004 – $5,781). These amounts currently subsidize claim costs and stabilize premium rates for the plans. Management produced estimates based on available March 2004 data, which was reviewed by the actuary for reasonableness. The Ministry, together with other participating ministries, record their share of employer contributions as expenses in their respective financial statements.

Dental and Extended Medical Plan Trusts

The Boards of Trustees administer the multi-employer Dental and Extended Medical Plan Trusts on behalf of the employees of Government of Alberta. These plans are defined benefit plans to which participating employers contribute on a defined contribution basis.

Premium rates are recommended by the Trustees to the Government of Alberta. All additional coverage for the Management, Opted out and Excluded Plans is optional and funded by the employees.

At December 31, 2004, the Government of Alberta Dental plan reported an actuarial surplus of $3,817 (2003 – $2,438) and the Government Employees' Group Extended Medical Benefits plan reported an actuarial surplus of $1,260 (2003 – $967). The Trusts receive contributions from participating employers who are responsible for withholding of employee contributions and their remittance to the trust on a monthly basis along with the employers' contributions. The Ministry, together with the participating ministries, record their share of employer contributions as expenses in their respective financial statements.

NOTE 12 Change of CST Revenue Allocation

The Ministry of Finance changed its Canada Social Transfer Revenue allocation methodology among departments during the year. Comparatives have been restated to conform with the new allocation methodology.

NOTE 13 Approval of Financial Statements

These financial statements were approved by the Deputy Minister, the Public Service Commissioner and the Chief Financial Officer.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 1

Revenues
For the year ended March 31, 2005

(in thousands)

	2005		2004
	Budget	Actual	Actual (Restated Note 3)
Transfers from the Government of Canada			
Canada Social Transfer / Canada Health and Social Transfer (Note 12)	$ 77,209	$ 68,708	$ 77,348
Labour Market Development Agreement Benefits	119,584	119,779	120,359
Services to On-Reserve Status Indians	325	341	319
Rehabilitation of Disabled Persons	22,343	25,191	22,343
	219,461	214,019	220,369
Internal Government Transfers			
Transfer from Lottery Fund	20,233	20,233	3,600
Fees, Permits and Licences			
Various	264	327	290
	20,497	20,560	3,890
Other Revenue			
Refunds of Previous Year Expenditures	2,075	5,991	1,828
Workers' Compensation Appeals	6,937	6,970	6,094
Occupational Health and Safety Transfer	9,600	12,100	9,600
Other	50	167	83
	18,662	25,228	17,605
	$ 258,620	$ 259,807	$ 241,864

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 2

Dedicated Revenue Initiatives
For the year ended March 31, 2005

(in thousands)

	2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	Excess (Shortfall)
Expenses by Program			
Labour Market Development Agreement [a]			
Benefits and Measures	$ 110,194	$ 110,194	$ -
Program Support	9,390	9,585	195
Workplace Health and Safety [b]			
Regional Services	12,100	12,100	-
Disability Related Employment Supports [c]			
LMA - Persons with Disabilities Demo Projects	2,800	2,800	-
Total Dedicated Revenue	$ 134,484	$ 134,679	$ 195

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations.

[a] Labour Market Development Agreement Benefits and Measures and Program Support dedicated revenue initiatives allow the costs associated with programs under the Labour Market Development Agreement to be fully offset with revenues collected from the Government of Canada.

[b] Workplace Health and Safety Regional Services dedicated revenue, under the agreement with the Workers' Compensation Board, is for the purpose of defraying part of the costs of administering the Occupational Health and Safety Act.

[c] The Disability Related Employment Supports Labour Market Agreement – Persons with Disabilities Demo Projects is a new initiative related to supporting working age people with disabilities to prepare for, attain and retain employment. Federal government funding is available to partially offset the costs of this program.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 3

Expense Directly Incurred - Detailed by Object
For the year ended March 31, 2005

(in thousands)

	2005 Budget	2005 Actual	2004 Actual (Restated Note 3)
Voted			
Salaries, Wages and Employee Benefits	$ 122,481	$ 125,659	$ 117,909
Supplies and Services [c]	136,960	129,322	141,482
Supplies and Services from Shared Service Support Arrangements with Related Parties [a]	3,663	3,302	2,770
Grants [c]	473,582	496,480	480,174
Financial Transactions and Other	52	100	106
Amortization of Tangible Capital Assets	3,306	2,650	2,426
Total Voted Expenses Before Recoveries	$ 740,044	$ 757,513	$ 744,867
Less Recovery from Shared Service Support Arrangements with Related Parties [b]	(835)	(1,147)	(1,299)
	$ 739,209	$ 756,366	$ 743,568
Statutory			
Valuation Adjustments (Note 6) Provision for Doubtful Accounts, Vacation Pay and Employers Portion of the Long Term Disability Income Continuance Plan Liability	$ 2,659	$ 1,988	$ 4,344

[a] The Ministry purchases financial and administrative support services from the Ministries of Education, Children's Services, and Government Services.

[b] The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Community Development, Children's Services, and Seniors and Community Supports. Costs incurred for these services are recovered from these ministries.

[c] Supplies and services include $7,386 (2004 - $3,635) in assessment fees paid to post-secondary institutions. Grants include $20,923 (2004 - $17,070) in tuition fees paid to post-secondary institutions.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 4

Budget
For the year ended March 31, 2005

(in thousands)

	2004-2005 Estimates[a]	2004-2005 Budget	Authorized Supplementary [b][c]	2004-2005 Authorized Budget
Revenue				
Transfer from the Government of Canada[c]	$ 219,461	$ 219,461	$ 2,800	$ 222,261
Internal Government Transfers	20,233	20,233	-	20,233
Fees, Permits and Licences	264	264	-	264
Other Revenue[c]	18,662	18,662	2,500	21,162
	258,620	258,620	5,300	263,920
Expenses - Directly Incurred:				
Voted Expenses				
Ministry Support Services	25,310	25,310	-	25,310
People Investments[b]	390,544	390,544	14,925	405,469
Skills Investments[c]	282,264	282,264	2,800	285,064
Workplace Investments[c]	22,599	22,599	2,500	25,099
Labour Relations and Adjudication	2,846	2,846	-	2,846
Personnel Administration Office	8,709	8,709	-	8,709
Workers' Compensation Appeals	6,937	6,937	-	6,937
Salary Contingency[b]	-	-	16,886	16,886
	739,209	739,209	37,111	776,320
Statutory Expenses				
Valuation Adjustments				
Provision for Doubtful Accounts, Vacation Pay and Other Provisions	2,659	2,659	-	2,659
	741,868	741,868	37,111	778,979
Net Operating Results	$ (483,248)	$ (483,248)	$ (31,811)	$ (515,059)
Capital Investment	$ 3,598	$ 3,598	$ -	$ 3,598

[a] Government and Lottery Fund estimates were approved on May 19, 2004.

[b] Supplementary Estimates were approved as follows: on March 24, 2005 in the amount of $34,925.
- $14,925 of additional funding is for Income Supports and Health Benefits.
- $20,000 is for salary contingency funding of which $3,114 was allocated to other departments and the balance of the funding was lapsed.

[c] Dedicated Revenues were approved as follows:
- Treasury Board Minute No. 45/2004, dated October 21, 2004, approves recovery of $2,500 for defraying costs of administering the Occupational Health and Safety Act.
- Treasury Board Minute No. 46/2004, dated October 21, 2004, approves the recovery of $2,800 from the Federal Government under the Labour Market Agreement for Persons with Disabilities.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2005

(in thousands)

	2004-2005 Estimate	Authorized Supplementary (a) (b)	2004-2005 Authorized Budget	2004-2005 Actual (c)	Unexpended (Over Expended)
Voted Expenses and Capital Investments					
Program 1 - Ministry Support Services					
1.0.1 Minister's Office	$ 382	$ -	$ 382	$ 380	$ 2
1.0.2 Deputy Minister's Office	506	-	506	375	131
1.0.3 Strategic Services	5,362	-	5,362	5,320	42
1.0.4 Delivery Services	2,460	-	2,460	2,606	(146)
1.0.5 Corporate Services Office	320	-	320	316	4
1.0.6 Information Technology Management					
Operating Expense	6,110	-	6,110	6,080	30
Capital Investment	578	-	578	523	55
1.0.7 Human Resource Services	4,520	-	4,520	4,423	97
1.0.8 Finance Services	4,413	-	4,413	4,103	310
1.0.9 Freedom of Information and Privacy	532	-	532	658	(126)
1.0.10 Communications	705	-	705	620	85
	25,888	-	25,888	25,404	484
Program 2 - People Investments					
2.1.1 Program Support					
Operating Expense	29,954	-	29,954	30,447	(493)
Capital Investment	1,035	-	1,035	791	244
2.2.1 Program Delivery	39,396	-	39,396	39,725	(329)
2.2.2 People Expected to Work	118,952	-	118,952	118,322	630
2.2.3 People Not Expected to Work	76,613	11,791	88,404	97,594	(9,190)
2.2.4 People Working - Supplement to Earnings	31,206	-	31,206	29,937	1,269
2.2.5 Widows' Pension	6,800	-	6,800	6,553	247
2.3.1 Program Delivery - Health Benefit	2,517	-	2,517	2,556	(39)
2.3.2 Alberta Child Health Benefit	23,027	-	23,027	22,228	799
2.3.3 Alberta Adult Health Benefit	4,246	-	4,246	7,048	(2,802)
2.3.4 People Expected to Work - Health Benefit	22,127	-	22,127	21,264	863
2.3.5 People Not Expected to Work - Health Benefit	26,957	3,134	30,091	35,965	(5,874)
2.3.6 People Working - Supplement to Earnings	4,758	-	4,758	4,850	(92)
2.4.1 Child Support Services	3,991	-	3,991	4,042	(51)
	391,579	14,925	406,504	421,322	(14,818)
Program 3 - Skills Investments					
3.1.1 Program Support					
Operating Expense	32,880	-	32,880	35,324	(2,444)
Capital Investment	1,985	-	1,985	1,271	714
3.2.1 Career Development Services	35,559	-	35,559	36,666	(1,107)
3.2.2 Youth Connections	4,767	-	4,767	5,908	(1,141)
3.3.1 Living Allowance for Learners	81,898	-	81,898	76,725	5,173
3.4.1 Basic Skills and Academic Upgrading	34,660	-	34,660	32,850	1,810
3.5.1 Job Skills Training	63,397	-	63,397	53,331	10,066
3.5.2 Self Employment Training	5,612	-	5,612	4,579	1,033
3.5.3 Disability Related Employment Supports	8,438	2,800	11,238	9,507	1,731
3.5.4 Summer Temporary Employment Program	8,195	-	8,195	7,568	627
3.5.5 Immigrant Support Services	3,600	-	3,600	3,136	464
3.6.1 Labour Market Partnerships	3,258	-	3,258	2,665	593
	284,249	2,800	287,049	269,530	17,519

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5
(continued)

Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget
For the year ended March 31, 2005

(in thousands)

	2004-2005 Estimate	Authorized Supplementary (a) (b)	2004-2005 Authorized Budget	2004-2005 Actual (c)	Unexpended (Over Expended)
Program 4 - Workplace Investments					
4.1.1 Program Support	1,390	-	1,390	1,558	(168)
4.2.1 Mediation	765	-	765	711	54
4.2.2 Labour Relations Policy and Facilitation	856	-	856	635	221
4.2.3 Professions and Occupations	631	-	631	583	48
4.3.1 Legislation, Policy and Technical Support	4,112	910	5,022	4,985	37
4.3.2 Partnerships	944	250	1,194	1,103	91
4.3.3 Regional Services	8,614	1,340	9,954	9,374	580
4.4.1 Legislation, Policy and Technical Support	648	-	648	610	38
4.4.2 Regional Services	4,639	-	4,639	4,818	(179)
	22,599	2,500	25,099	24,377	722
Program 5 - Labour Relations and Adjudication					
5.0.1 Labour Relations Board	2,846	-	2,846	2,797	49
	2,846	-	2,846	2,797	49
Program 6 - Personnel Administration Office					
6.1.1 Public Service Commissioner's Office	510	-	510	465	45
6.1.2 Corporate Human Resource Services	5,917	-	5,917	5,628	289
6.1.3 Information Management Services	1,532	-	1,532	1,823	(291)
6.2.1 Research and Development	750	-	750	694	56
	8,709	-	8,709	8,610	99
Program 7 - Workers' Compensation Appeals					
7.0.1 Appeals Commission for Alberta Workers' Compensation	6,937	-	6,937	6,912	25
	6,937	-	6,937	6,912	25
Program 8 - Salary Contingency					
8.0.1 Salary Contingency	-	16,886	16,886	-	16,886
	-	16,886	16,886	-	16,886
Total Voted Expenses and Capital Investments	$ 742,807	$ 37,111	$ 779,918	$ 758,952	$ 20,966
Program Operating Expense	739,209	37,111	776,320	756,366	19,954
Program Capital Investment	3,598	-	3,598	2,586	1,012
	$ 742,807	$ 37,111	$ 779,918	$ 758,952	$ 20,966
Statutory Expenses					
Valuation Adjustments	2,659	-	2,659	1,988	671
Total Statutory Expenses	$ 2,659	$ -	$ 2,659	$ 1,988	$ 671

(a) Supplementary Estimates were approved as follows: $34,925 on March 24, 2005.
- $14,925 of additional funding is for Income Supports and Health Benefits.
- $20,000 is for salary contingency funding of which $3,114 was allocated to other departments and the balance of the funding was lapsed.

(b) Dedicated revenues were approved as follows:
- Treasury Board Minute No. 45/2004, dated October 21, 2004, approves recovery of $2,500 for defraying costs of administering the Occupational Health and Safety Act.
- Treasury Board Minute No 46/2004, dated October 21, 2004, approves recovery of $2,800 from the Federal Government under the Labour Market Agreement for Persons with Disabilities.

(c) Includes achievement bonus of $1,852.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (a)

DEPARTMENT OF HUMAN RESOURCES AND EMPLOYMENT

For the year ended March 31, 2005

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Deputy Minister[4][5]	$ 161,272	$ 26,581	$ 30,146	$ 217,999	$ 235,083
Executives					
Assistant Deputy Ministers					
Delivery Services[6]	125,405	15,206	26,030	166,641	166,772
People and Skills Investments	129,186	17,624	24,910	171,720	166,754
Workplace Investments[7]	123,084	16,918	4,180	144,182	136,538
Corporate Services	131,738	23,680	25,813	181,231	175,695
Strategic Services	119,484	16,733	21,409	157,626	154,735

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Position was occupied by three individuals during the year.

(6) Incumbent was Acting Deputy Minister for three months; salary and benefits for this period reported as Deputy Minister. Amounts for staff who covered off this position are included during this period.

(7) Salary includes pay in lieu of benefits.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (b)

PERSONNEL ADMINISTRATION OFFICE
For the year ended March 31, 2005

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Public Service Commissioner[4]	$ 157,392	$ 30,849	$ 29,326	$ 217,567	$ 217,323
Executives					
Assistant Commissioner – Human Resource Policy and Consulting	123,832	18,564	24,382	166,778	163,172
Assistant Commissioner – Corporate Human Resource Development	112,056	17,432	21,955	151,443	143,836
Chief Information Officer	93,812	12,661	18,243	124,716	121,128
Director -Executive Search	93,348	14,068	19,104	126,520	122,095
Executive Director - Human Resource Directors' Council[5]	67,309	7,418	13,901	88,628	-
Executive Director - Labour Relations[6]	104,388	15,648	20,938	140,974	125,764
Manager - Human Resources and Public Service Commissioner's Office[7]	40,977	10,004	11,873	62,854	95,404

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) New position created and filled September 2004.

(6) Existing position which became a member of Executive Management Committee at the beginning of the 2005 fiscal year.

(7) Position was occupied by two individuals for eight months of the 2005 fiscal year and vacant for the remaining four months of the fiscal year.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (c)

LABOUR RELATIONS BOARD

For the year ended March 31, 2005

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Chair[4][5]	$ 178,010	$ 23,137	$ 7,165	$ 208,312	$ 202,786
Executives					
Vice Chair[5]	124,514	8,298	3,493	136,305	145,705
Vice Chair	116,856	8,589	23,154	148,599	146,785
Executive Director	106,980	8,723	21,090	136,793	137,211
Director of Administration	74,520	6,733	14,887	96,140	93,161

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage,group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Salary includes pay in lieu of benefits.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SALARY AND BENEFITS DISCLOSURE

Schedule 6 (d)

WORKERS' COMPENSATION APPEALS
For the year ended March 31, 2005

	2005				2004
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Officials					
Chief Appeals Commissioner[4]	$ 140,220	$ 20,613	$ 27,840	$ 188,673	$ 187,798
Full Time Commissioners[5]	1,711,609	115,107	138,449	1,965,165	1,654,195
Temporary Appeals Commissioners[6]	872,364	-	-	872,364	629,323

Prepared in accordance with Treasury Board Directive 03/2004

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Commissioners consist of seventeen full time individuals.

(6) Salary is the honoraria paid from April 1, 2004 to March 31, 2005 for twenty-two part time Commissioners.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
RELATED PARTY TRANSACTIONS

Schedule 7

For the year ended March 31, 2005
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency (RGE).

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2005	2004
Expenses - Directly Incurred		
Other Services	$ 19,283	$ 20,682
Tangible Capital Asset Transfer	-	136

The above transactions do not include shared service support arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements.

	2005	(Restated Note 3) 2004
Expenses - Incurred by Others		
Accommodation	$ 14,717	$ 13,560
Legal Services	507	602
Other Services	9	-
	$ 15,233	$ 14,162

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
SCHEDULE TO FINANCIAL STATEMENTS

Schedule 8

ALLOCATED COSTS
For the year ended March 31, 2005

(in thousands)

	2005							(Restated Note 3)
		Expenses - Incurred by Others		Valuation Adjustments (4)			2005	2004
Program	Directly Incurred Expenses	Accommodation Costs	Legal Services	Doubtful Accounts	Vacation Pay	Other	Total Expenses	Total Expenses
	(1)	(2)	(3)	(5)	(6)	(7)		(8)
Ministry Support Services	$ 24,881	$ 685	$ 60	$ 11	$ 32	$ -	$ 25,669	$ 25,097
People Investments	420,530	5,990	276	-	133	-	426,929	400,372
Skills Investments	268,259	5,539	-	-	107	-	273,905	289,711
Workplace Investments	24,377	1,272	59	-	147	-	25,855	24,628
Labour Relations and Adjudication	2,797	127	12	-	22	-	2,958	3,086
Personnel Administration Office	8,610	682	100	-	-	1,519	10,911	12,640
Workers' Compensation Appeals	6,912	422	-	-	17	-	7,351	6,481
	$ 756,366	$ 14,717	$ 507	$ 11	$ 458	$ 1,519	$ 773,578	$ 762,015

1) Expenses as per Statement of Operations excluding valuation adjustments.
2) Costs shown for Accommodation in Schedule 7 have been allocated as follows:
- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on ratio of staff employed in each program.
3) Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.
4) Valuation adjustments as per Statement of Operations.
5) Provision for doubtful accounts have been allocated based on actual provision relating to the program.
6) Provision for vacation pay has been allocated based on actual liability recorded.
7) Other relates to the provision of Government of Alberta's share of the Long Term Disability Income continuance plans liability.
8) Expenses restated to conform to 2004 presentation.

Supplementary Ministry Financial Information

- Ministry Expenses by Function
- Statement of Remissions, Compromises and Write-Offs
- Long Term Disability Income Continuance Fund – Bargaining Unit Financial Statements
- Long Term Disability Income Continuance Fund – Management, Opted Out and Excluded Financial Statements

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
MINISTRY EXPENSE BY FUNCTION
For the year ended March 31, 2005

(in thousands)

	2004-2005		2003-2004
	Budget	Actual	Restated
Education			
Skills Investments	$ 275,406	$ 262,458	$ 278,106
Social Services			
People Investments	390,544	420,530	394,834
Workers' Compensation Appeals	6,937	6,912	6,097
Ministry Support Services	25,310	24,881	24,085
	422,791	452,323	425,016
Agriculture and Economic Development			
Labour Market Partnerships	3,258	2,665	2,237
Immigrant Support	3,600	3,136	3,553
	6,858	5,801	5,790
Protection of Persons and Property			
Workplace Investments	22,599	24,377	23,310
Labour Relations and Adjudication	2,846	2,797	2,933
	25,445	27,174	26,243
General Government			
Personnel Administration Office	8,709	8,610	8,413
Valuation Adjustment and Other Provisions	2,659	1,988	4,344
	11,368	10,598	12,757
Expense by Function	$ 741,868	$ 758,354	$ 747,912

Un-audited information as per Finance 2005 Ministry Annual Report Standards.

MINISTRY OF HUMAN RESOURCES AND EMPLOYMENT
STATEMENT OF REMISSIONS, COMPROMISES AND WRITE-OFFS
For the year ended March 31, 2005

The following Statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs of the Ministry of Human Resources and Employment made or approved during the fiscal year.

	(in thousands)
Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	
Supports for Independence and Assured Income for the Severely Handicapped Program	41
Bankruptcies:	
Supports for Independence and Assured Income for the Severely Handicapped Program	373
Write-Offs:	
Supports for Independence and Assured Income for the Severely Handicapped Program	7,371
Widows' Pension Program	126
Miscellaneous	286
	7,783
	$ 8,197

Un-audited information as per Finance 2005 Ministry Annual Report Standards.

Long Term Disability Income Continuance Plan – Bargaining Unit

Financial Statements

March 31, 2005

- Auditor's Report
- Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits
- Statement of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements
- Schedule of Investments in Fixed Income Securities
- Schedule of Investments in Canadian Equities
- Schedule of Investments in United States Equities
- Schedule of Investments in Non-North American Equities
- Schedule of Investments in Real Estate

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Long Term Disability Income Continuance Plan-Bargaining Unit as at March 31, 2005 and the Statement of Changes in Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Plan as at March 31, 2005 and the Changes in its Net Assets Available for Benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 13, 2005

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS
As at March 31, 2005

	2005	2004
	($ thousands)	
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 99,498	$ 94,726
Accounts receivable	30	160
	99,528	94,886
Liabilities		
Accounts payable and accrued liabilities	789	784
Net assets available for benefits	98,739	94,102
Accrued long term disability benefits (Note 6)	(110,556)	(103,868)
Actuarial deficiency (Note 6)	**$ (11,817)**	**$ (9,766)**

The accompanying notes and schedules are part of these financial statements

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended March 31, 2005

	2005	2004
	($ thousands)	
Increase in assets		
Contributions:		
Employers	$ 9,982	$ 9,584
Employees	9,982	9,584
Net investment income (Note 7)	6,505	17,941
	26,469	37,109
Decrease in assets		
Benefits	19,021	17,325
Adjudication	1,444	1,400
Severance	769	1,315
Rehabilitation	350	351
Income maintenance	22	12
Administration expenses (Note 8)	226	214
	21,832	20,617
Increase in net assets	4,637	16,492
Net assets available for benefits at beginning of year	94,102	77,610
Net assets available for benefits at end of year	**$ 98,739**	**$ 94,102**

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2005

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for bargaining unit employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the Public Service Act, the Long Term Disability Income Continuance Plan Regulation, section 98 of the Financial Administration Act and Treasury Board Directive 08/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta employees included in an Alberta Union of Provincial Employee's (AUPE) bargaining unit. Management and employees opted out and excluded from an AUPE bargaining unit are covered under a separate Plan.

(b) Funding Policy

Long term disability benefits are funded equally by employer and employee contributions at rates which are expected to provide for all benefits payable under the Plan. The rates in effect at March 31, 2005 were unchanged at 1.55% of insurable salary for employers and 1.55% for employees. The rates are to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary and Advisory Committee.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $88,589,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are funded by increasing employer and employee contributions.

Note 1 Summary Description of the Plan (continued)

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. The maximum benefit payable is $3,000 per month for each member. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Assets

Expenses of the Plan include benefits paid out, severance payments for resignation of employment subsequent to disability leave, rehabilitation expenses, adjudication fees and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Finance or external managers appointed by Alberta Finance. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by investment managers of Alberta Finance.

The fair value of alternative investments including absolute return strategy investments, investments in private investment funds, private equities and securities with limited marketability is estimated by Alberta Finance or external managers appointed by Alberta Finance using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate and may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as replacement cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions, which are translated at rates of exchange, established by the terms of the forward exchange contracts. At year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts, credit default swaps and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated amount receivable or payable from derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Cross-currency interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields and year-end exchange rates.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(f) Measurement Uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the calculation of the Plan's accrued long term disability benefits. Uncertainty arises because the Plan's actual experience may differ, perhaps significantly, from assumptions used in the calculation.

While best estimates have been used in the calculation of the Plan's accrued long term disability benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements. Differences between actual results and expectations are disclosed as assumption changes and net experience gains or losses that change the value of accrued long term disability benefits (see Note 6).

Note 3 Investments (Schedules 1 to 5)

	2005		2004	
	Fair Value		Fair Value	
	($ thousands)	%	($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 2,152	2.2	$ 1,548	1.6
Canadian Dollar Public Bond Pool (b)	29,262	29.4	28,910	30.5
Private Mortgage Pool (c)	4,896	4.9	5,057	5.4
Total fixed income securities	36,310	36.5	35,515	37.5
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	7,138	7.2	8,286	8.7
Canadian Pooled Equities Fund (e)	4,254	4.3	5,222	5.5
External Managers				
Canadian Equity Enhanced Index Pool (f)	2,379	2.4	-	-
Canadian Large Cap Equity Pool (g)	1,544	1.5	5,003	5.3
Canadian Small Cap Equity Pool	-	-	284	0.3
Growing Equity Income Pool (h)	1,118	1.1	1,315	1.4
Canadian Multi-Cap Pool (i)	1,007	1.0	-	-
Overlay US Equity Pool (m)	(1,008)	(1.0)	-	-
	16,432	16.5	20,110	21.2
United States Equities (Schedule 3)				
S&P 500 Pooled Index Fund (j)	13,812	13.9	8,283	8.7
Portable Alpha US Pool (k)	2,750	2.8	-	-
External Managers				
U.S. Mid/Small Cap Equity Pool (l)	2,334	2.3	2,061	2.2
U.S. Large Cap Equity Pool	-	-	6,081	6.4
Growing Equity Income Pool (h)	178	0.2	-	-
Overlay US Equity Pool (m)	1,211	1.2	-	-
	20,285	20.4	16,425	17.3
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Core Equity Pool (n)	10,146	10.2	9,618	10.1
EAFE Plus Equity Pool (n)	5,027	5.1	4,146	4.4
EAFE Passive Equity Pool (o)	3,225	3.2	4,047	4.3
Emerging Markets Equity Pool (p)	1,075	1.1	-	-
	19,473	19.6	17,811	18.8
Alternative Investments - Equities				
Absolute Return Strategy Pool (q)	736	0.7	-	-
Real Estate Equities (Schedule 5)				
Private Real Estate Pool (r)	5,949	6.0	4,865	5.2
Foreign Real Estate Pool	313	0.3	-	-
	6,262	6.3	4,865	5.2
Total equities	63,188	63.5	59,211	62.5
Total investments	**$ 99,498**	**100.0**	**$ 94,726**	**100.0**

Note 3 Investments (Schedules 1 to 5) (continued)

(a) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years.

(b) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(c) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the Pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage and geographic location.

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the Toronto Stock Exchange S&P/TSX Composite Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the S&P/TSX Composite Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four year period while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations and is designed to reduce risk by prudent security selection while maintaining sector neutral.

(f) The External Managers Canadian Equity Enhanced Index Pool consists of a single portfolio of publicly traded Canadian equities in the large cap market and is designed to generate a consistent level of investment return above the total return of the S&P/TSX Composite Index over a four-year period with relatively low risk.

(g) The External Managers Canadian Large Cap Pool consists of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap equity markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period while reducing return volatility through multiple managers each of whom has a different investment style and market capitalization focus.

Note 3 Investments (Schedules 1 to 5) (continued)

(h) The Growing Equity Income Pool is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four-year period while maintaining a steady and growing stream of dividend income to participants. The portfolio is comprised of publicly traded equities in mature Canadian corporations with strong financial characteristics and dividend growth history and is designed to reduce risk by holding securities of established and well-capitalized companies.

(i) The Canadian Multi-Cap Pool consists of a single portfolio with multiple components. The large cap component is internally managed and provides exposure to the Canadian equity market through structured investments replicating the S&P/TSX 60 Index. The small/mid cap component is comprised of investments in the External Managers Canadian Multi-Cap Pool. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period.

(j) The S&P 500 Pooled Index Fund consist of publicly traded United States equities similar in weights to the Standard & Poor's S&P 500 Index. The pooled fund is passively managed by managers with expertise in the U.S. equity market. The performance objective is to provide investment returns comparable to the total return of the S&P 500 Index over a four-year period.

(k) The Portable Alpha US Pool provides exposure to the United States equity market by replicating the S&P 500 Index with S&P 500 index swaps and futures contracts. Externally managed absolute return strategy investments and money market instruments are actively used as underlying securities to add value to the exposure. The performance objective is to provide returns higher than the S&P 500 Index over the long term.

(l) The External Managers U.S. Mid/Small Cap Equity Pool consists of a single portfolio of publicly traded United States equities and is actively managed by an external manager with expertise in the U.S. mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the Russell 2500 Index over a four-year period.

(m) The Overlay US Equity Pool is managed with the objective of providing a quick, effective and efficient way to reduce exposure to Canadian equities and increase exposure to United States equities through synthetic instruments on a largely unfunded basis. The Pool is comprised of a long position through United States equity index futures contracts and a short position through Canadian equity index futures contract. Cash and short-term securities held by the Pool support approximately 5% to 10% of the Pool's notional exposure in Canadian and United States equity index futures contracts.

Note 3 Investments (Schedules 1 to 5) (continued)

(n) The External Managers EAFE (Europe, Australasia and Far East) Core and Plus Equity Pools consist of multiple portfolios of publicly traded Non-North American equities. Each core portfolio is actively managed by an external manager and has constraints on foreign currency management and deviations from the Morgan Stanley Capital International (MSCI) EAFE Index asset mix by country. The EAFE Plus portfolios are actively managed by external managers with fewer constraints on country allocation, stock selection, currency management and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the MSCI EAFE Index over a four-year period while reducing return volatility through multiple manager investment style and market diversification.

(o) The External Managers EAFE Passive Equity Pool's performance objective is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index.

(p) The External Managers Emerging Markets Equity Pool consists of a single portfolio of publicly traded equities in emerging markets around the world. The portfolio is actively managed by an external manager with expertise in emerging markets. The performance objective is to provide returns higher than the total return of the Morgan Stanley Capital International Emerging Markets Free (MSCI EMF) Index over a four-year period.

(q) The External Managers Absolute Return Strategy Pool is managed by external managers with the objective of providing investment returns comparable to the Consumer Price Index plus 6%. The pool is intended to yield absolute positive investment returns with low volatility using various investment strategies.

(r) The Private Real Estate Pool is managed with the objective of providing investment returns higher than the Investment Property Databank (IPD) Large Institutional All Property Index over the long term. Real estate is held through intermediate companies, which have issued to the pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Note 4 Investment Risk Management (continued)

Actuarial liabilities of the Plan are primarily affected by the long-term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, a long term policy asset mix of 30% fixed income instruments and 70% equities has been established by Alberta Finance on behalf of the Plan. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts may be used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to interest, credit and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. For credit default swaps, parties buy and sell insurance against credit risks inherent in bonds. Periodic payments, based on a notional amount, are exchanged for a contingent payment following a defined credit event of a reference entity. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies. There are underlying securities supporting all swaps. Leveraging is not allowed.

Forward foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Equity index futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

Note 5 Derivative Contracts (continued)

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2005:

	Maturity			2005		2004	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	64	36	-	$ 13,157	$ 24	$ 8,299	$ (64)
Cross-currency interest rate swap contracts	8	29	63	5,306	11	3,348	(413)
Interest rate swap contracts	38	49	13	4,140	(103)	5,093	(227)
Forward foreign exchange contracts	100	-	-	3,304	35	560	(3)
Equity index futures contracts	100	-	-	2,495	53	71	8
Credit default swap contracts	30	10	60	1,125	13	387	(3)
Bond index swap contracts	100	-	-	569	4	409	10
				$ 30,096	$ 37	$ 18,167	$ (692)

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2005 by Johnson Inc. The 2005 valuation resulted in an actuarial deficiency of $11.8 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

The accrued long term disability benefits as at March 31, 2005 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

Note 6 Accrued Long Term Disability Benefits (continued)

	2005 Valuation	2004 Valuation
	%	
Interest discount rate	6.5	7.0
Continuance rates Based on 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor As percentage of premiums	35	35

* The rates have been modified by both age and duration to reflect adjudication practices and claims termination experience respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 6.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 35% of premiums was appropriate for estimating the reserve amount.

The following statement shows the principal components of the change in the value of accrued long term disability benefits.

(a) Actuarial Valuation (continued)

	2005	2004
	($ thousands)	
Accrued long term disability benefits at beginning of year	$ 103,868	$ 92,044
Interest accrued on benefits	7,271	6,443
Change in actuarial assumption of continuance rates	-	5,161
Change in actuarial assumption of incurred but unreported reserve factor	-	965
Change in actuarial assumption of interest discount rate	2,810	-
Net experience gains	(8,442)	(5,866)
New claims	22,202	22,751
Terminations	(17,153)	(17,630)
Accrued long term disability benefits at end of year	**$ 110,556**	**$ 103,868**

Note 6 Accrued Long Term Disability Benefits (continued)

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2005, holding the continuance rates and incurred but unreported reserve factor constant, a 1% decrease in the assumed interest discount rate would increase the actuarial deficiency of the Plan by $5.8 million.

Note 7 Net Investment Income

(a) Net investment income is comprised of the following:

	2005	2004
	($ thousands)	
Net realized and unrealized gains (losses) on investments including those arising from derivative transactions	$ 3,171	$ 14,753
Interest income	2,227	2,121
Dividend income	938	873
Real estate Income	284	270
Securities lending income	24	26
Pooled funds management and associated custodial fees	(139)	(102)
	$ 6,505	**$ 17,941**

The following is a summary of the Plan's proportionate share of net investment income by type of investments:

	2005	2004
	($ thousands)	
Fixed Income Securities	$ 1,939	$ 3,502
Canadian Equities	2,481	5,556
Foreign Equities		
United States	(236)	3,076
Non-North American	1,390	5,458
Alternative Investments	41	-
Real Estate	890	349
	$ 6,505	**$ 17,941**

Note 7 Net Investment Income (continued)

(b) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Investment returns for the Plan for the one-year and four-year periods ended March 31, 2005 are as follows:

	One Year Return				4 Year Compound Annualized
	2005	2004	2003	2002	Return
Time-weighted rates of return					
Short-term fixed income	2.5	3.0	2.9	4.0	3.1
Scotia Capital 91-Day T-Bill Index	*2.2*	*3.0*	*2.7*	*3.7*	*2.9*
Long-term fixed income	5.6	11.6	9.7	5.9	8.2
Scotia Capital Universe Bond Index	*5.0*	*10.8*	*9.2*	*5.1*	*7.5*
Canadian equities	15.4	36.5	(17.4)	4.0	7.8
Toronto Stock Exchange S&P/TSX Composite Index	*13.9*	*37.7*	*(17.6)*	*4.9*	*7.9*
United States equities	(1.8)	22.0	(30.6)	1.3	(4.2)
Standard & Poor's 1500 Index	*(1.0)*	*20.5*	*(30.7)*	*1.6*	*(4.3)*
Non-North American equities	7.5	40.9	(29.1)	(5.5)	0.3
MSCI EAFE Index	*6.2*	*40.5*	*(29.3)*	*(7.3)*	*(0.6)*
Real Estate	16.9	7.5	9.8	7.5	10.4
*Real Estate Index**	*7.1*	*5.7*	*8.8*	*9.0*	*7.9*
Overall	**6.9**	**23.0**	**(10.8)**	**2.7**	**4.7**
Policy Benchmark	***5.6***	***22.1***	***(11.4)***	***2.7***	***4.1***

* Comprises the Russell Canadian Property Index to December 31, 2002 and the Consumer Price Index plus 5% thereafter.

Note 8 Administration Expenses

	2005	2004
	($ thousands)	
Investment management, actuarial fees and other services	$ 58	$ 79
General administration costs	165	120
Bad debts	3	15
	$ 226	**$ 214**

Investment management costs were paid to Alberta Finance and do not include custodial and pooled fund management fees, which have been deducted in arriving at investment income (see Note 7 (a)).

Accommodation and legal costs incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Contingent Liabilities

As at March 31, 2005, the Province was named as defendant in four (2004 three) legal actions relating to long term disability benefits claims. The total claimed in three (2004 two) of these specific legal actions amounted to approximately $1,639,000 (2004 – $564,000) while the remaining claim has not specified any amount. The resulting loss, if any, from these claims and other potential claims cannot be determined.

Note 10 Comparative Figures

Comparative figures have been reclassified to be consistent with 2005 presentation.

Note 11 Approval of Financial Statements

These financial statements were prepared by management and approved by the Public Service Commissioner.

Schedule 1

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES
March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 2,236	$ 1,594
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	8,749	6,889
Provincial, direct and guaranteed		
Alberta	18	21
Other	7,066	7,194
Municipal	371	393
Corporate, public and private	17,634	19,470
	33,838	33,967
Receivable from sale of investments and accrued investment income	405	363
Liabilities for investment purchases	(1691)	(409)
	236	(46)
	$ 36,310	**$ 35,515**

(a) Fixed income securities held as at March 31, 2005 had an average effective market yield of 4.47% per annum (2004 4.39% per annum). The following term structure of these securities as at March 31, 2005 is based on principal amount:

	2005	2004
	%	
Under 1 year	3	3
1 to 5 years	35	37
6 to 10 years	33	30
11 to 20 years	12	11
Over 20 years	17	19
	100	**100**

Schedule 2

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES
March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 125	$ 139
Public Equities (a) (b)		
Consumer discretionary	1,042	1,416
Consumer staples	715	880
Energy	3,332	2,940
Financials	5,257	6,559
Health care	220	412
Industrials	875	1,514
Information technology	882	1,492
Materials	2,321	3,294
Telecommunication services	1,033	955
Utilities	233	728
	15,910	20,110
Small Cap pooled fund	306	3
	16,216	20,113
Receivable from sale of investments and accrued investment income	271	78
Liabilities for investment purchases	(180)	(220)
	91	(142)
	$ 16,432	**$ 20,110**

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $6,653,000 (2004 $5,821,000), which were used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Toronto Stock Exchange S&P TSX Composite Index.

Schedule 3

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES
March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 476	$ 255
Public Equities (a) (b)		
Consumer discretionary	2,363	2,638
Consumer staples	1,876	1,530
Energy	1,736	944
Financial	3,986	3,343
Health care	2,586	1,988
Industrials	2,498	1,851
Information technology	3,019	2,612
Materials	783	599
Telecommunications services	550	462
Utilities	708	388
	20,105	16,355
Receivable from sale of investments and accrued investment income	151	63
Liabilities for investment purchases	(447)	(248)
	(296)	(185)
	$ 20,285	**$ 16,425**

(a) The Plan's net investment in United States public equities includes the fair value of deposits and floating rate notes, totalling $8,999,000 (2004 – $2,549,000), which were used as underlying securities to support US equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index.

Schedule 4

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITITES
March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 377	$ 362
Public Equities (a)		
Consumer discretionary	2,514	2,739
Consumer staples	1,085	1,309
Energy	1,648	1,339
Financial	4,942	4,164
Health care	1,134	1,357
Industrials	2,271	2,015
Information technology	946	1,080
Materials	1,648	1,351
Telecommunications services	1,615	1,398
Utilities	813	680
	18,616	17,432
Emerging markets equity funds	447	-
Receivable from sale of investments and accrued investment income	240	180
Liabilities for investment purchases	(207)	(163)
	33	17

(a) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index. The following is a summary of the Plan's share of Non-North American public equities by country based on geographic location of stock exchange on which stocks were purchased:

	Plan's Share	
	2005	2004
	($ thousands)	
United Kingdom	$ 4,007	$ 4,006
Japan	3,191	3,287
France	1,851	1,640
Germany	1,326	1,174
Switzerland	1,173	1,376
Netherlands	1,012	964
Australia	840	858
Italy	716	778
Spain	538	462
Sweden	499	331
Other	3,463	2,556
	$ 18,616	**$ 17,432**

Schedule 5

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - BARGAINING UNIT
SCHEDULE OF INVESTMENTS IN REAL ESTATE
March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 2	$ 6
Real estate (a)		
Office	2,705	2,164
Retail	2,410	2,061
Industrial	470	324
Residential	268	255
	5,853	4,804
Foreign Private Equity Pool	313	-
Passive index	86	43
Receivable from sale of investments and accrued investment income	8	12
	$ 6,262	**$ 4,865**

(a) The following is a summary of the Plan's investment in real estate by geographic locations:

	Plan's Share	
	2005	2004
	($ thousands)	
Ontario	$ 3,895	$ 3,554
Alberta	1,215	1,151
Quebec	616	-
British Columbia	127	99
	$ 5,853	$ 4,804

Long Term Disability Income Continuance Plan – Management, Opted Out and Excluded

Financial Statements

March 31, 2005

- Auditor's Report
- Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits
- Statement of Changes in Net Assets Available for Benefits
- Notes to the Financial Statements
- Schedule of Investments in Fixed Income Securities
- Schedule of Investments in Canadian Equities
- Schedule of Investments in United States Equities
- Schedule of Investments in Non-North American Equities
- Schedule of Investments in Real Estate

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Minister Responsible for the Personnel Administration Office

I have audited the Statement of Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Long Term Disability Income Continuance Plan-Management, Opted Out and Excluded as at March 31, 2005 and the Statement of Changes in Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the Net Assets Available for Benefits and Accrued Long Term Disability Benefits of the Plan as at March 31, 2005 and the Changes in its Net Assets Available for Benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 13, 2005

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED LONG TERM DISABILITY BENEFITS

As at March 31, 2005

($ thousands)

	2005	2004
Net assets available for benefits		
Assets		
Investments (Note 3)	$ 26,986	$ 23,028
Accounts receivable	17	27
	27,003	23,055
Liabilities		
Accounts payable and accrued liabilities	107	102
Net assets available for benefits	26,896	22,953
Accrued long term disability benefits (Note 6)	(23,688)	(21,655)
Actuarial surplus (Note 6)	**$ 3,208**	**$ 1,298**

The accompanying notes and schedules are part of these financial statements

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended March 31, 2005

($ thousands)

	2005	2004
Increase in assets		
Employer contributions	$ 7,088	$ 6,439
Net investment income (Note 7)	1,642	3,993
	8,730	10,432
Decrease in assets		
Benefits	4,255	3,808
Adjudication	149	140
Severance	272	118
Rehabilitation	44	48
Administration expenses (Note 8)	67	61
	4,787	4,175
Increase in net assets	3,943	6,257
Net assets available for benefits at beginning of year	22,953	16,696
Net assets available for benefits at end of year	**$ 26,896**	**$ 22,953**

The accompanying notes and schedules are part of these financial statements.

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2005

Note 1 Summary Description of the Plan

The following description of the Long Term Disability Income Continuance Plan (the Plan) for management, opted out and excluded employees is a summary only. For a complete description of the Plan, reference should be made to section 21 of the Public Service Act, the Long Term Disability Income Continuance Plan Regulation, the Long Term Disability Benefits Regulation (Legislative Assembly Act), section 98 of the Financial Administration Act and Treasury Board Directive 09/98, as amended.

(a) General

The Plan provides disability benefits and insures income continuance of eligible Government of Alberta management, opted out and excluded employees, members of the Legislative Assembly and Provincial Judges. Employees included in an Alberta Union of Provincial Employee's bargaining unit are covered under a separate Plan.

(b) Funding Policy

Long term disability benefits are funded by employer and Government contributions at a rate which is expected to provide for all benefits payable under the Plan. The rate in effect at March 31, 2005 was unchanged at 1.7% of insurable salary for employer and the Government. The rate is to be reviewed at least once every three years by the Public Service Commissioner based on recommendations of the Plan's actuary and Advisory Committee.

On March 30, 1998, the Government of Alberta provided a one-time contribution of $13,698,000 to the Plan, representing the Plan's accrued long term disability benefits as at December 31, 1997 as determined by the Plan's actuary. Any deficiencies incurred by the Plan are to be funded by increasing employer contributions.

(c) Long Term Disability Benefits

Benefits are payable when eligible plan members become disabled for 80 consecutive normal workdays as the result of bodily injury or illness, as determined by the Plan's adjudicator. Plan members are eligible for coverage after completion of three consecutive months of service without absence in a permanent position, or a full year in a temporary position. The Plan provides for benefits equalling to 70% of members' pre-disability salary. Reduced benefits are payable to eligible members who receive compensation from the Workers' Compensation Board or the Crimes Compensation Board, or benefits under the Canada Pension Plan or any other group disability plan, or vacation leave pay or employment income under a rehabilitation program. At year-end a contingent gain may exist relating to plan members who applied for Canada Pension Plan benefits, but who have not yet been approved. If approved, an amount equal to the monthly Canada Pension Plan benefit times the number of months the person has been receiving benefits, will be recovered.

Note 1 Summary Description of the Plan (continued)

(c) Long Term Disability Benefits (continued)

No benefit is payable if the disability is the result of injuries suffered from participation in a criminal act or an act of war, or injury or illness which are self-inflicted intentionally. Disabled members who are not under the continuous care of a physician or who are confined in prisons are not eligible for benefits.

Benefits terminate upon the earliest of the date the member resigns or is gainfully employed or is no longer disabled, three months after the adjudicator declares the member is suitable for gainful employment, or the date the member attains age 65 and is eligible for an unreduced public service pension. Benefits also terminate when a member's earnings under a rehabilitation program are the same as his pre-disability salary or after 24 months where the member is in a temporary position.

(d) Decrease in Assets

Expenses of the Plan include benefits paid out, severance payments for resignation of employment subsequent to disability leave, rehabilitation expenses, adjudication fees and administrative costs. Adjudication fees include services performed by an independent agent in determining the eligibility of claims, the amounts of eligible benefits and the time period applicable for disability.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

These financial statements are prepared on the going concern basis in accordance with Canadian generally accepted accounting principles. The statements provide information about the net assets available in the Plan to meet future benefit payments and are prepared to assist Plan members and others in reviewing the activities of the Plan for the year.

Plan investments are held in pooled investment funds administered by Alberta Finance or external managers appointed by Alberta Finance. Pooled investment funds have a market-based unit value that is used to allocate income to pool participants and to value purchases and sales of pool units.

(b) Valuation of Assets and Liabilities

Investments are stated at fair value. The methods used to determine fair value of investments held by pooled investment funds are explained in the following paragraphs:

Short-term securities, public fixed income securities and equities are valued at the year-end closing sale price or the average of the latest bid and ask prices quoted by an independent securities valuation company.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Valuation of Assets and Liabilities (continued)

Private fixed income securities and mortgages are valued based on the net present value of future cash flows. These cash flows are discounted using Government of Canada bond rates adjusted for a risk premium estimated by investment managers of Alberta Finance.

The fair value of alternative investments including absolute return strategy investments, investments in private investment funds, private equities and securities with limited marketability is estimated by Alberta Finance or external managers appointed by Alberta Finance using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate and may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Real estate investments are reported at their most recent appraised value net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as replacement cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

The fair values of deposits, receivables, accrued investment income and payables are estimated to approximate their book values.

(c) Income Recognition

Dividends are accrued on the ex-dividend date. Income from other investments is accrued as earned. Gains or losses on investments are recognized concurrently with changes in fair value.

(d) Foreign Exchange

Foreign currency transactions are translated into Canadian dollars using average rates of exchange except for hedged foreign currency transactions, which are translated at rates of exchange established by the terms of the forward exchange contracts. At the year-end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Exchange differences are included in the determination of investment income or loss.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(e) Valuation of Derivative Contracts

Derivative contracts (see Note 5) include equity and bond index swaps, interest rate swaps, forward foreign exchange contracts, equity index futures contracts, credit default swaps and cross-currency interest rate swaps. The value of derivative contracts is included in the fair value of pooled investment funds. The estimated amount receivable or payable from derivative contracts at the reporting date is determined by the following methods:

Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest.

Interest rate swaps are valued based on discounted cash flows using current market yields.

Forward foreign exchange contracts and equity index futures contracts are based on quoted market prices.

Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.

Cross-currency interest rate swaps are valued at quoted prices based on discounted cash flows using current market yields and year-end exchange rates.

Income and expense from derivative contracts are accrued as earned and included in investment income or loss. Gains and losses on forward foreign exchange contracts are recognized concurrently with changes in fair value.

(f) Measurement Uncertainty

In preparing these financial statements, estimates and assumptions are used in circumstances where the actual values are unknown. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty exists in the calculation of the Plan's accrued long term disability benefits. Uncertainty arises because the Plan's actual experience may differ, perhaps significantly, from assumptions used in the calculation.

While best estimates have been used in the calculation of the Plan's accrued long term disability benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements. Differences between actual results and expectations are disclosed as assumption changes and net experience gains or losses that change the value of accrued long term disability benefits (see Note 6 (a)).

Note 3 Investments (Schedules 1 to 5)

	2005 Fair Value ($ thousands)	%	2004 Fair Value ($ thousands)	%
Fixed Income Securities (Schedule 1)				
Deposit in the Consolidated Cash Investment Trust Fund (a)	$ 1,080	4.0	$ 1,326	5.8
Canadian Dollar Public Bond Pool (b)	8,202	30.4	6,921	30.1
Private Mortgage Pool (c)	1,266	4.7	1,163	5.0
Total fixed income securities	10,548	39.1	9,410	40.9
Canadian Equities (Schedule 2)				
Domestic Passive Equity Pooled Fund (d)	1,922	7.1	1,984	8.6
Canadian Pooled Equities Fund (e)	1,191	4.4	1,179	5.1
External Managers				
Canadian Equity Enhanced Index Pool (f)	576	2.2	-	-
Canadian Large Cap Equity Pool (g)	374	1.4	1,216	5.3
Canadian Small Cap Equity Pool	-	-	92	0.4
Growing Equity Income Pool (h)	305	1.1	295	1.3
Canadian Multi-Cap Pool (i)	244	0.9	-	-
Overlay US Equity Pool (m)	(268)	(1.0)	-	-
	4,344	16.1	4,766	20.7
United States Equities (Schedule 3)				
S&P 500 Pooled Index Fund (j)	3,597	13.3	1,843	8.0
Portable Alpha US Pool (k)	747	2.8	-	-
External Managers				
U.S. Mid/Small Cap Equity Pool (l)	582	2.1	486	2.1
U.S. Large Cap Equity Pool	-	-	1,346	5.8
Overlay US Equity Pool (m)	322	1.2	-	-
Growing Equity Income Pool (h)	48	0.2	-	-
	5,296	19.6	3,675	15.9
Non-North American Equities (Schedule 4)				
External Managers				
EAFE Core Equity Pool (n)	2,476	9.2	2,054	8.9
EAFE Plus Equity Pool (n)	1,292	4.8	1,056	4.6
EAFE Passive Equity Pool (o)	943	3.5	1,050	4.6
Emerging Markets Equity Pool (p)	257	0.9	-	-
	4,968	18.4	4,160	18.1
Alternative Investments - Equities				
Absolute Return Strategy Pool (q)	175	0.7	-	-
Real Estate Equities (Schedule 5)				
Private Real Estate Pool (r)	1,580	5.8	1,017	4.4
Foreign Real Estate Pool	75	0.3	-	-
	1,655	6.1	1,017	4.4
Total equities	16,438	60.9	13,618	59.1
Total investments	**$ 26,986**	**100.0**	**$ 23,028**	**100.0**

Note 3 Investments (Schedules 1 to 5) (continued)

(c) The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years.

(d) The Canadian Dollar Public Bond Pool is managed with the objective of providing competitive returns comparable to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The portfolio is comprised of high quality Canadian fixed income instruments and debt related derivatives. Competitive returns are achieved through management of the portfolio duration and sector rotation.

(e) The Private Mortgage Pool is managed with the objective of providing investment returns higher than the Scotia Capital Universe Bond Index over the long term. The portfolio is comprised primarily of high-quality commercial mortgage loans and provincial bond residuals. In order to reduce risk, the Pool only invests in loans insured by a federal agency and first-mortgage loans that provide diversification by property usage and geographic location.

(d) The Domestic Passive Equity Pooled Fund is managed on a passive approach with the objective of providing investment returns comparable to the Toronto Stock Exchange S&P/TSX Composite Index. The portfolio is comprised of both publicly traded Canadian equities and structured investments replicating the S&P/TSX Composite Index.

(e) The Canadian Pooled Equities Fund is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four-year period while maintaining preservation of participants' capital. The portfolio is comprised of publicly traded equities in Canadian corporations and is designed to reduce risk by prudent security selection while maintaining sector neutral.

(f) The External Managers Canadian Equity Enhanced Index Pool consists of a single portfolio of publicly traded Canadian equities in the large cap market and is designed to generate a consistent level of investment return above the total return of the S&P/TSX Composite Index over a four-year period with relatively low risk.

(g) The External Managers Canadian Large Cap Pool consists of multiple portfolios of publicly traded Canadian equities. Each portfolio is actively managed by an external manager with expertise in the Canadian large cap equity markets. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period while reducing return volatility through multiple managers each of whom has a different investment style and market capitalization focus.

Note 3 Investments (Schedules 1 to 5) (continued)

(h) The Growing Equity Income Pool is managed with the objective of providing returns higher than the total return of the S&P/TSX Composite Index over a four-year period while maintaining a steady and growing stream of dividend income to participants. The portfolio is comprised of publicly traded equities in mature Canadian corporations with strong financial characteristics and dividend growth history, and is designed to reduce risk by holding securities of established and well-capitalized companies.

(i) The Canadian Multi-Cap Pool consists of a single portfolio with multiple components. The large cap component is internally managed and provides exposure to the Canadian equity market through structured investments replicating the S&P/TSX 60 Index. The small/mid cap component is comprised of investments in the External Managers Canadian Multi-Cap Pool. The performance objective is to provide investment returns higher than the total return of the S&P/TSX Composite Index over a four-year period.

(j) The S&P 500 Pooled Index Fund consist of publicly traded United States equities similar in weights to the Standard & Poor's S&P 500 Index. The pooled fund is passively managed by managers with expertise in the U.S. equity market. The performance objective is to provide investment returns comparable to the total return of the S&P 500 Index over a four-year period.

(k) The Portable Alpha US Pool provides exposure to the United States equity market by replicating the S&P 500 Index with S&P 500 index swaps and futures contracts. Externally managed absolute return strategy investments and money market instruments are actively used as underlying securities to add value to the exposure. The performance objective is to provide returns higher than the S&P 500 Index over the long term.

(l) The External Managers U.S. Mid/Small Cap Equity Pool consists of a single portfolio of publicly traded United States equities. The portfolio is actively managed by an external manager with expertise in the U.S. mid/small cap equity markets. The performance objective is to provide returns higher than the total return of the Russell 2500 Index over a four-year period.

(m) The Overlay US Equity Pool is managed with the objective of providing a quick, effective and efficient way to reduce exposure to Canadian equities and increase exposure to United States equities through synthetic instruments on a largely unfunded basis. The Pool is comprised of a long position through United States equity index futures contracts and a short position through Canadian equity index futures contract. Cash and short-term securities held by the Pool support approximately 5% to 10% of the Pool's notional exposure in Canadian and United States equity index futures contracts.

(n) The External Managers EAFE (Europe, Australasia and Far East) Core and Plus Equity Pools consist of multiple portfolios of publicly traded Non-North American equities. Each core portfolio is actively managed by an external manager and has constraints on foreign currency management and deviations from the Morgan Stanley Capital International (MSCI) EAFE Index asset mix by country. The EAFE Plus portfolios are actively managed by external managers with fewer constraints on country allocation, stock selection, currency management and investments in emerging markets. The performance objective is to provide investment returns higher than the total return of the

MSCI EAFE Index over a four-year period while reducing return volatility through multiple manager investment style and market diversification.

Note 3 Investments (Schedules 1 to 5) (continued)

(o) The External Managers EAFE Passive Equity Pool's performance objective is to provide returns comparable to the total return of the MSCI EAFE index over a four-year period. The Pool consists of a single portfolio of Non-North American publicly traded equities similar in weights to the MSCI EAFE index.

(p) The External Managers Emerging Markets Equity Pool consists of a single portfolio of publicly traded equities in emerging markets around the world. The portfolio is actively managed by an external manager with expertise in emerging markets. The performance objective is to provide returns higher than the total return of the Morgan Stanley Capital International Emerging Markets Free (MSCI EMF) Index over a four-year period.

(q) The External Managers Absolute Return Strategy Pool is managed by external managers with the objective of providing investment returns comparable to the Consumer Price Index plus 6%. The pool is intended to yield absolute positive investment returns with low volatility using various investment strategies.

(r) The Private Real Estate Pool is managed with the objective of providing investment returns higher than the Investment Property Databank (IPD) Large Institutional All Property Index over the long term. Real estate is held through intermediate companies, which have issued to the Pool common shares and participating debentures secured by a charge on real estate. Risk is reduced by investing in properties that provide diversification by geographic location, by property type and by tenancy. The Pool is intended to provide diversification from the securities market.

Note 4 Investment Risk Management

Fair values of investments are exposed to credit risk and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk relates to the possibility that the investments will change in value due to future fluctuations in foreign exchange rates. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Actuarial liabilities of the Plan are primarily affected by the long term real rate of return on investments. In order to earn the best possible return at an acceptable level of risk, a long term policy asset mix of 30% fixed income instruments and 70% equities has been established by Alberta Finance on behalf of the Plan. Investment risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions on amounts exposed to countries designated as emerging markets. Controls are in place respecting the use of derivatives (see Note 5). Forward foreign exchange contracts may be used to manage currency exposure in connection with securities purchased in foreign currency (see Note 5).

Note 5 Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates or currency rates. The Plan uses derivative contracts held indirectly through pooled investment funds to enhance return, manage exposure to credit, interest and foreign currency risks, and for asset mix management purposes. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows.

A swap is a contractual agreement between two counter-parties to exchange a series of cash flows based on a notional amount. An equity or bond index swap involves the exchange of a floating interest rate cash flow for one based on the performance of a market index. For interest rate swaps, parties generally exchange fixed and floating rate interest cash flows based on a notional amount. For credit default swaps, parties buy and sell insurance against credit risks inherent in bonds. Periodic payments, based on a notional amount, are exchanged for a contingent payment following a defined credit event of a reference entity. Cross-currency interest rate swaps are contractual obligations in which the principal amounts of Canadian fixed-income securities denominated in foreign currency are exchanged for Canadian currency amounts both initially and at maturity. Over the term of the cross-currency swap, counter-parties exchange fixed to fixed and fixed to floating interest rate cash flows in the swapped currencies.

There are underlying securities supporting all swaps. Leveraging is not allowed.

Forward foreign exchange contracts are agreements to exchange specified currencies at an agreed upon exchange rate and on an agreed settlement date in the future.

Equity index futures contracts are agreements to receive or pay cash on an agreed settlement date based on changes in the level of a specified stock index in the future.

The following is a summary of the Plan's proportionate share of the notional amount and fair value of derivative contracts held by pooled funds at March 31, 2005:

	Maturity			2005		2004	
	Under 1 Year	1 to 3 Years	Over 3 Years	Notional Amount	Net Fair Value (a)	Notional Amount	Net Fair Value (a)
	%			($ thousands)			
Equity index swap contracts	64	36	–	$ 3,465	$ 7	$ 1,945	$ (15)
Cross-currency interest rate swap contracts	8	29	63	1,437	–	790	(99)
Interest rate swap contracts	38	49	13	1,092	(27)	1,195	(53)
Forward foreign exchange contracts	100	–	–	846	9	135	(1)
Equity index futures contracts	100			664	14	16	2
Credit default swap contracts	30	10	60	299	3	90	(1)
Bond index swap contracts	100	–	–	139	1	98	2
				$ 7,982	$ 7	$ 4,275	$ (165)

(a) The method of determining fair value of derivative contracts is described in Note 2 (e).

Note 5 Derivative Contracts (continued)

The notional amounts, upon which payments are based, are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The Plan attempts to limit its credit exposure by dealing with counter-parties believed to have good credit standing.

Note 6 Accrued Long Term Disability Benefits

(a) Actuarial Valuation

An actuarial valuation of the Plan was carried out as at March 31, 2005 by Johnson Inc. The 2005 valuation resulted in an actuarial surplus of $3.2 million as disclosed in the statement of net assets available for benefits and accrued long term disability benefits.

The accrued long term disability benefits as at March 31, 2005 was determined using the projected benefit method based on estimates of the Plan's Disabled Life Reserve and the Incurred But Unreported Reserve. The assumptions used in the valuation were developed as the best estimate of expected short and long term market conditions and other future events. These estimates were, after consultation with the Plan's actuary, adopted by the Public Service Commissioner. The major assumptions used were:

	2005 Valuation	2004 Valuation
	%	
Interest discount rate	6.5	7.0
Continuance rates		
Based on the 1984 Commissioner's Group Disability Table	Modified*	Modified*
Incurred but unreported reserve factor		
As percentage of premiums	35	35

* The rates have been modified by both age and duration to reflect adjudication practices and claims termination experience respecting disability definition specific to this plan.

The Disabled Life Reserve is an estimate of the value of future payments to be made over the life of incurred claims, discounted to a current value using a rate of 6.5%.

The Incurred But Unreported Reserve is an estimate of the value of the financial impact of claims that are either unreported or not approved at the fiscal year end, but which will ultimately be accepted for benefits. Based on a review of historical reserves, the actuary determined a reserve factor of 35% of premiums was appropriate for estimating the reserve amount.

Note 6 Accrued Long Term Disability Benefits (continued)

(a) Actuarial Valuation (continued)

The following statement shows the principal components of the change in the value of accrued long term disability benefits:

	2005	2004
	($ thousands)	
Accrued long term disability benefits at beginning of year	$ 21,655	$ 19,749
Interest accrued on benefits	1,516	1,382
Change in actuarial assumption of continuance rates	-	1,106
Change in actuarial assumption of interest discount rate	517	-
Net experience gains	(923)	(1,926)
New claims	5,618	5,974
Terminations	(4,695)	(4,630)
Accrued long term disability benefits at end of year	**$ 23,688**	**$ 21,655**

(b) Sensitivity of Changes in Major Assumptions

The Plan's future experience will inevitably differ, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations and will affect the financial position of the Plan.

As at March 31, 2005, holding the continuance rates and incurred but unreported reserve factor constant, a 1.0% decrease in the assumed interest discount rate would reduce the actuarial surplus of the Plan by $1.1 million.

Note 7 Net Investment Income

(a) Net investment income is comprised of the following:

	2005	2004
	($ thousands)	
Net realized and unrealized gains (losses) on investments including those arising from derivative transactions	$ 751	$ 3,258
Interest income	617	502
Dividend income	234	195
Real estate income	69	55
Securities lending income	6	6
Pooled funds management and associated custodial fees	(35)	(23)
	$ 1,642	**$ 3,993**

Note 7 Net Investment Income (continued)

(b) The following is a summary of the Plan's proportionate share of net investment income by type of investments:

	2005	2004
	($ thousands)	
Fixed Income Securities	$ 519	$ 803
Canadian Equities	623	1,243
Foreign Equities		
United States	(72)	668
Non-North American	347	1,209
Alternative Investments	10	-
Real Estate	215	70
	$ 1,642	**$ 3,993**

Note 7 Net Investment Income (continued)

(c) The Plan uses the time-weighted rate of return based on market values to measure performance. The measure involves the calculation of the return realized by the Plan over a specified period and is a measure of the total proceeds received from an investment dollar initially invested. Total proceeds include cash distributions (interest and dividend payments) and capital gains or losses (realized and unrealized).

The time-weighted rate of return measures the compounded rate of growth of the initial investment over the specified period. It is designed to eliminate the effect that the size and timing of cash flows have on the internal rate of return. The investment industry uses time-weighted rates of return calculated using market values when comparing the returns of funds with other funds or indices.

Investment returns for the Plan for the one-year and four-year periods ended March 31, 2005 are as follows:

	One Year Return				4 Year Compound Annualized
	2005	2004	2003	2002	Return
Time-weighted rates of return					
Short-term fixed income	2.6	3.1	3.0	4.1	3.2
Scotia Capital 91-Day T-Bill Index	*2.2*	*3.0*	*2.7*	*3.7*	*2.9*
Long-term fixed income	5.6	11.6	9.7	5.9	8.2
Scotia Capital Universe Bond Index	*5.0*	*10.8*	*9.2*	*5.1*	*7.5*
Canadian equities	15.4	36.6	(17.4)	3.5	7.8
Toronto Stock Exchange S&P/TSX Composite Index	*13.9*	*37.7*	*(17.6)*	*4.9*	*7.9*
United States equities	(1.7)	22.0	(30.7)	1.4	(4.2)
Standard & Poor's 1500 Index	*(1.0)*	*20.5*	*(30.7)*	*1.6*	*(4.3)*
Non-North American equities	7.4	40.9	(29.1)	(5.5)	0.4
MSCI EAFE Index	*6.2*	*40.5*	*(29.3)*	*(7.3)*	*(0.6)*
Real Estate	16.9	7.5	9.8	7.5	10.4
*Real Estate Index**	*7.1*	*5.7*	*8.8*	*9.0*	*7.9*
Overall	**6.8**	**22.7**	**(10.7)**	**2.5**	**4.7**
Policy Benchmark	***5.6***	***22.1***	***(11.4)***	***2.7***	***4.1***

* Comprises the Russell Canadian Property Index to December 31, 2002 and the Consumer Price Index plus 5% thereafter.

Note 8 Administration Expenses

	2005	2004
	(S thousands)	
Investment management, actuarial fees and other services	$ 36	$ 39
General administration costs	31	22
	$ 67	**$ 61**

Investment management fees were paid to Alberta Finance and do not include custodial and pooled fund management fees, which have been included in the calculation of net investment income (see Note 7(a)).

Accommodation and legal costs incurred on behalf of the Plan by the Government of Alberta have not been included in the Plan's expenses. These costs are recorded by the Government of Alberta and are not recovered from the Plan.

Note 9 Comparative Figures

Comparative figures have been reclassified to be consistent with 2005 presentation.

Note 10 Approval of Financial Statements

These financial statements were prepared by management and approved by the Public Service Commissioner.

Schedule 1

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN FIXED INCOME SECURITIES

March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 1,105	$ 1,337
Fixed Income Securities (a)		
Public		
Government of Canada, direct and guaranteed	2,451	1,649
Provincial, direct and guaranteed		
Alberta	5	5
Other	1,975	1,719
Municipal	104	94
Corporate, public and private	4,842	4,617
	9,377	8,084
Receivable from sale of investments and accrued investment income	113	87
Liabilities for investment purchases	(47)	(98)
	66	(11)
	$ 10,548	**$ 9,410**

(b) Fixed income securities held as at March 31, 2005 had an average effective market yield of 4.46% per annum (2004 – 4.39% per annum). The following term structure of these securities as at March 31, 2005 was based on principal amount:

	2005	2004
	%	
Under 1 year	3	3
1 to 5 years	35	37
6 to 10 years	33	30
11 to 20 years	12	11
Over 20 years	17	19
	100	**100**

Schedule 2

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN CANADIAN EQUITIES

March 31, 2005

	Plan's Share	
	2005	4
	($ thousands)	
Deposits and short-term securities	$ 34	$ 34
Public Equities (a) (b)		
Consumer discretionary	277	339
Consumer staples	189	191
Energy	883	696
Financials	1,391	1,547
Health care	59	99
Industrials	234	363
Information technology	233	354
Materials	618	780
Telecommunication services	268	226
Utilities	61	170
	4,213	4,765
Small Cap pooled fund	74	1
	4,287	4,766
Receivable from sale of investments and accrued investment income	71	19
Liabilities for investment purchases	(48)	(53)
	23	(34)
	$ 4,344	**$ 4,766**

(a) The Plan's net investment in Canadian public equities includes the fair value of deposits and floating rate notes, totalling $1,769,000 (2004 – $1,394,000), which were used as underlying securities to support the notional amount of Canadian equity index swap contracts.

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Toronto Stock Exchange S&P/TSX Composite Index.

Schedule 3

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN UNITED STATES EQUITIES

March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 127	$ 59
Public Equities (a) (b)		
Consumer discretionary	616	591
Consumer staples	492	340
Energy	453	211
Financials	1,042	749
Health care	675	445
Industrials	651	414
Information technology	788	586
Materials	203	134
Telecommunication services	144	103
Utilities	184	87
	5,248	3,660
Receivable from sale of investments and accrued investment income	40	14
Liabilities for investment purchases	(119)	(58)
	(79)	(44)
	$ 5,296	**$ 3,675**

(c) The Plan's net investment in United States public equities includes the fair value of deposits and floating rate notes, totalling $2,380,000 (2004 – $567,000), which were used as underlying securities to support U.S. equity index swap contracts.

(d) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index.

Schedule 4

LONG TERM DISABILITY INCOME CONTINUANCE PLAN - MANAGEMENT, OPTED OUT AND EXCLUDED SCHEDULE OF INVESTMENTS IN NON-NORTH AMERICAN EQUITIES

March 31, 2005

	Plan's Share	
	2005	2004
	($ thousands)	
Deposits and short-term securities	$ 95	$ 83
Public Equities (a)		
Consumer discretionary	641	637
Consumer staples	281	304
Energy	420	312
Financial	1,262	982
Health care	291	316
Industrials	580	471
Information technology	244	254
Materials	421	318
Telecommunications services	408	320
Utilities	209	159
	4,757	4,073
Emerging markets pooled funds	107	-
Receivable from sale of investments and accrued investment income	61	44
Liabilities for investment purchases	(52)	(40)
	9	4
	$ 4,968	**4,160**

(b) The sector classification conforms to the Global Industry Classification Standard followed by the Standard & Poor's S&P 500 Index. The following is a summary of the Plan's share of Non-North American public equities by country based on geographic location of stock exchange on which stocks were purchased:

	Plan's Share	
	2005	2004
	($ thousands)	
United Kingdom	$ 1,027	$ 937
Japan	826	783
France	472	380
Germany	339	277
Switzerland	301	320
Netherlands	257	220
Australia	215	198
Italy	184	179
Spain	139	108
Sweden	127	75
Other	870	596
	$ 4,757	**$ 4,073**

Schedule 5

LONG TERM DISABILITY INCOME CONTINUANCE PLAN
MANAGEMENT, OPTED OUT AND EXCLUDED
SCHEDULE OF INVESTMENTS IN REAL ESTATE
March 31, 2005

	Plan's Share			
	2005		2004	
	($ thousands)			
Deposits and short-term securities	$	1	$	1
Real Estate (a)				
Office		719		453
Retail		639		431
Industrial		125		68
Residential		71		53
		1,554		1,005
Foreign Private Real Estate Pool		75		-
Participation units		23		9
Receivable from sale of investments and accrued investment income		2		2
	$	**1,655**	**$**	**1,017**

(b) The following is a summary of the Plan's investment in real estate by geographic locations:

	Plan's Share			
	2005		2004	
	($ thousands)			
Ontario	$	1,034	$	743
Alberta		323		241
Quebec		163		-
British Columbia		34		21
	$	**1,554**	**$**	**1,005**

Other Financial Information – Financial Statements

- Management Commentary on the Financial Statements for 2003
- Responsibility for Financial Reporting
- Actuaries' Report
- Auditor's Report
- Balance Sheet
- Statement of Operations
- Statement of Reserve and Fund Balance
- Statement of Cash Flow
- Notes to the Financial Statements
- Schedule A – Salaries and Benefits

Workers' Compensation Board

Financial Statements

Management Discussion and Analysis of 2004 Financial Statements and Operating Results

For the year ended December 31, 2004

The Management Discussion and Analysis (MD&A) provides management's perspectives on key issues that impact current and future performance of The Workers' Compensation Board of Alberta (WCB-Alberta, the WCB). The MD&A, prepared as at March 15, 2005, should be read in conjunction with the audited financial statements and accompanying notes for the year ending December 31, 2004.

Unless otherwise indicated, all amounts shown are in millions of Canadian dollars.

OVERVIEW OF 2004 OPERATIONS

Driven by a strong provincial and global economy, and a major reduction in claim costs, WCB-Alberta's financial results showed significant improvement over the 2004 budget and 2003 results. These factors led to total revenues of $1.2 billion, an operating surplus of $252.4 million and a Fund Balance of $359.0 million or 8.9% of total liabilities.

The operating surplus of $252.4 million represents an increase of 64.2% over the $153.7 million surplus in 2003. This improvement can be attributed to the following key factors:

Significant Contributing Factors to Operating Results	2004	2003	Change
Net deficiency of investment income (adjusted for effect of fair value accounting) over the expected interest requirement on the claims liability	$ (18.8)	$ (14.2)	$ (4.6)
Gain in premium revenue as a result of actual premium rate collected ($1.96) being higher than the required premium rate on insurable earnings ($1.57)	214.9	134.0	80.9
Change in actuarial discount rate from 3.5% to 3.25%	(88.6)	-	(88.6)
Actuarial experience adjustments primarily due to reduction of claim costs	147.9	15.3	132.6
Other items	(3.0)	18.6	(21.6)
	$252.4	**$153.7**	**$98.7**

In 2004, the WCB adopted new standards issued by the Canadian Institute of Chartered Accountants (CICA) relating to fair value[1] accounting for financial instruments. These accounting changes resulted in a significantly different basis of accounting for investments and investment income, and a new basis for measurement of funding sufficiency. (Discussion of the new funding measures is on page 194, with a detailed discussion of the impact of the new accounting policies on page 200).

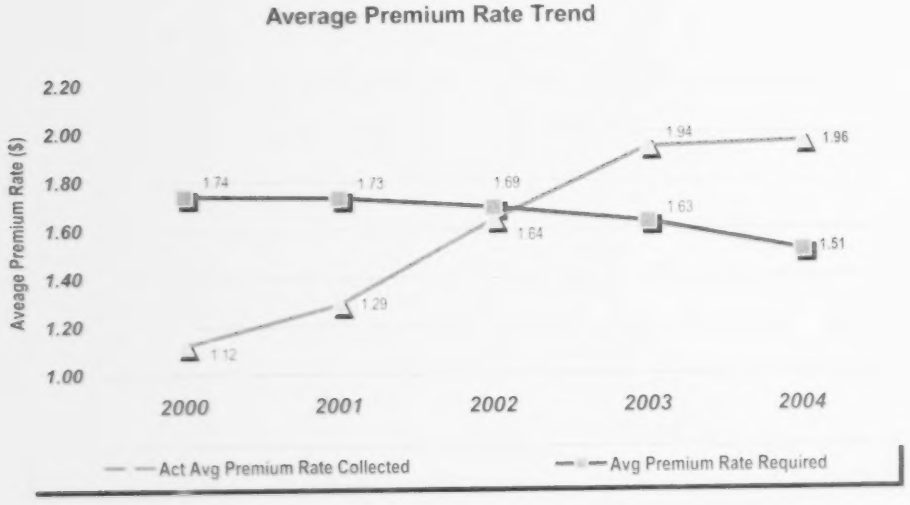
PREMIUM REVENUE

Alberta's strong resource sector and continuing employment growth pushed 2004 actual insurable earnings to $47.6 billion, 8.2% higher than the $44.0 billion actual for 2003. Construction and mining/oil and gas industries led the increases in insurable earnings and premium revenue. Total premium revenues, including both employer and statutory levies, were $936.2 million in 2004 and $877.6 million in 2003. The 6.7% increase in premium revenues in 2004 stemmed primarily from a $3.6 billion increase in insurable earnings and an increase in the average collected premium rate from $1.94 to $1.96.

AVERAGE PREMIUM RATES

The average collected premium rate of $1.96 was below the budget premium rate of $1.98, attributable to the higher actual insurable earnings of $47.6 billion compared to the forecast of $46.0 billion used for rate setting, and by higher Partners in Injury Reduction program costs. Generally, the difference between the collected and required premium rate in 2004 represents a contribution to Fund Balance.

For 2005, the average premium rate, based on fully funded claim costs, will decrease by 7.6% to $1.83.



[1] Fair value is defined as the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. In the context of investments, fair value is generally synonymous with market value.

CLAIM COSTS

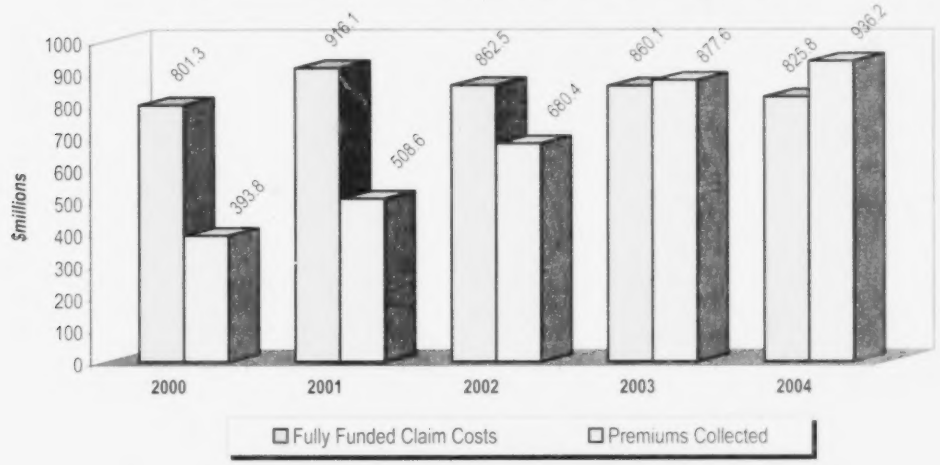
Claim costs are an estimate of the costs incurred for compensable injuries occurring in 2004, plus claim benefit liability adjustments related to prior year injuries. For 2004, claim costs incurred were $825.8 million, $94.1 million lower than the 2004 budget and $34.3 million lower than 2003 costs.

Approximately $88.6 million was added to 2004 claim costs due to the change in the actuarial discount rate from 3.5% to 3.25% as supported by an asset/liability study. This change reflected current market returns on investments and is aligned with the WCB's liabilities. Had the discount rate remained unchanged, 2004 claim costs would have been approximately $122.9 million ($88.6 million plus $34.3 million) lower than 2003 costs.

Lower 2004 claim costs can be attributed to a reduction of $30.1 million in Temporary Total Disability (TTD) costs from prior year. This reduction was a result of effective case management, expedited medical treatment, utilization of modified work, and coordinated return-to-work planning leading to successful claims resolution.

The number of time-lost claims also dropped to 37,500 at the end of 2004 from 39,100 in 2003, a drop of 4.1%. Against the 2004 budget level of 40,800, actual performance of 37,373 represents an improvement of 8.4%. Despite an 8.2% increase in insurable earnings in 2004, the drop in time-lost claims volume results from the growing effectiveness of employer safety programs and a 35% increase in no-time-lost modified work.

Premiums Collected vs Fully Funded Claim Costs



FUNDED POSITION

The Fund Balance at the end of 2004 was $359.0 million, representing a funded ratio[2] of 8.9% of total liabilities, compared to $311.0 million and 8.1% at the end of 2003. The increase of $48.0 million was generated primarily by an operating surplus of $252.4 million, offset by a net, non-recurring, transitional adjustment of $194.7 million from changing to fair value accounting for investments (see financial statements note 3 *Accounting Policy Changes* for details of the transitional impact of the new accounting standard CICA Handbook Section 3855 *Financial Instruments – Recognition and Measurement* and Section 1530 *Comprehensive Income*).

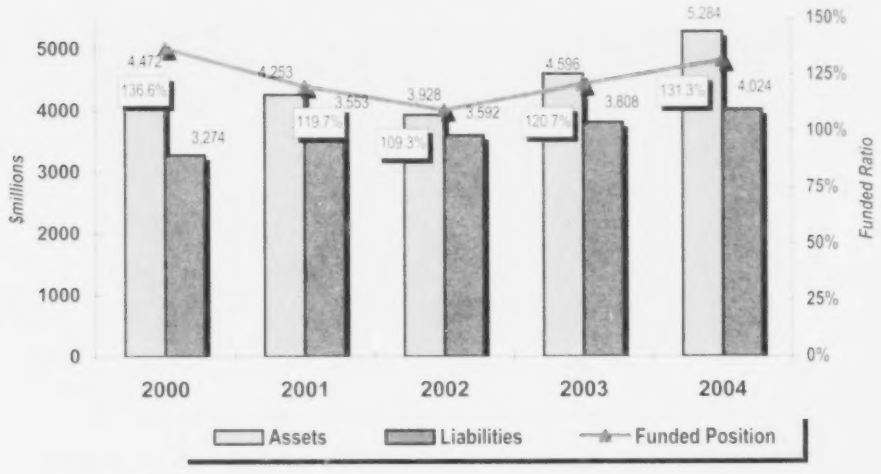
[2] Funded ratio is the Fund Balance expressed as a percentage of total liabilities, indicating the amount of accumulated surplus available to fund unexpected increases in liabilities

The ratio of total assets to total liabilities represents a funded position[3] of 131.3% (a new funding adequacy measure arising from the introduction of comprehensive income). Viewed from another perspective, the WCB has total assets of $5.3 billion to cover its total estimated liabilities of $4.0 billion, resulting in net assets of $1.3 billion.

These net assets[4] of $1.3 billion are comprised of $359.0 million in the Fund Balance, $241.5 million in the Occupational Disease Reserve (ODR), and $659.9 million in Accumulated Other Comprehensive Income (AOCI). This last funding component was created by Section 1530 *Comprehensive Income*[5] to capture unrealized holding gains and losses arising from measurement of investments at fair value as at the reporting date. Consequently, during periods of significant market volatility, AOCI could experience large fluctuations due to the type of investments held and/or the nature of the changes in market conditions. The WCB is currently reviewing appropriate funding policies to ensure that volatility in the funded position is effectively managed to minimize any impact on funding stability and ultimately the WCB rates.

WCB-Alberta is one of only a few fully funded Boards in Canada, and has the highest funded position. This position is the result of sustained economic growth, effective cost management, and improved financial markets.

Funded Position*



**2000 – 2003 assets and liabilities have been restated to reflect fair value accounting*

[3] Funded position is the ratio of assets to liabilities, a measure of financial solvency or the sufficiency of assets to meet all obligations. This ratio indicates the amount of accumulated equity generated by operating surplus, reserves, and other comprehensive income (from 2004 onwards).

[4] Net assets is total assets less total liabilities, reflecting the WCB's accumulated surplus (comparable to retained earnings)

[5] Comprehensive income is the change in equity (funded position) of an enterprise and is comprised of operating income and other comprehensive income.

Investments

CAPITAL MARKETS OVERVIEW

In the first half of 2004, market gains levelled off after the recovery of 2003. For most of the year, the capital markets saw mixed performance, then a late year rally boosted returns above expectations for 2004.

ASSET MIX

The WCB policy asset mix is 55% equity, 42% bonds, and 3% real estate. The policy asset mix is the primary driver of portfolio risk and return. Through 2004, the asset mix was maintained fairly close to the policy targets with a small underweight to Canadian bonds and cash, and a small overweight to equities [Canadian and Europe, Australasia and Far East (EAFE)]. The portfolio will be rebalanced to the policy targets in the first quarter of 2005.

Asset Mix versus Policy Mix

Asset Class	Actual Mix	Target Mix	Difference
Cash and short-term investments	1.3%	2.0%	(0.7%)
Conventional bonds	30.7%	33.0%	(2.3%)
Real return bonds	6.8%	7.0%	(0.2%)
Real estate fund	2.8%	3.0%	(0.2%)
Canadian equities	22.0%	20.0%	2.0%
US equities	15.1%	15.0%	0.1%
EAFE equities	15.6%	15.0%	0.6%
Emerging markets equities	5.7%	5.0%	0.7%
	100.0%	100.0%	

The findings of the Asset/Liability Study, with respect to an optimum portfolio structure and target asset mix, are currently under review. Once the review is completed, the WCB will consider the appropriateness of its current asset mix and possible changes.

PORTFOLIO PERFORMANCE VERSUS EXPECTATIONS

The portfolio earned a nominal market rate of return of 10.0% for 2004. This is well above long-term expectations of 7.1% per annum. The primary goal of the investment portfolio is to earn a real rate of return that meets or exceeds the claim liability discount rate. This is the actuarial rate of return required to fund the liability. On this basis, the real rate of return of 8.6% (nominal rate of 10.0% less inflation of 1.4%) was above the discount rate of 3.25%.

In the near future, much more modest rates of return are expected from both equities and bonds, since the year is starting out with very low bond yields, relatively high equity valuations, and a high probability that corporate profit growth will slow down from the current pace

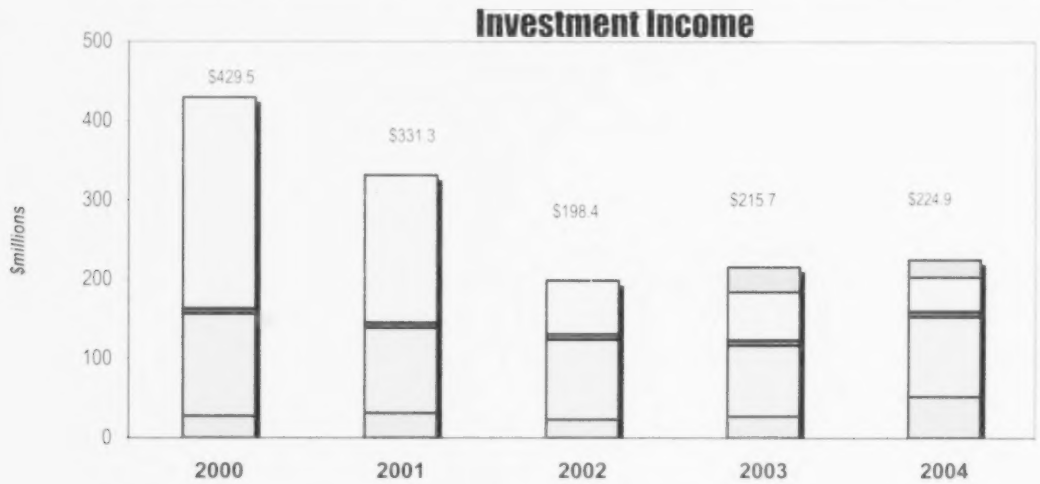
PORTFOLIO PERFORMANCE VERSUS BENCHMARK

The benchmark return is comprised of benchmark index returns for each asset class, weighted by the policy asset mix. Performance vs. the benchmark is a relative measure of success in implementing the investment program through active management.

The portfolio rate of return was 0.2% below the benchmark rate of return of 10.2% for 2004. Asset mix deviations were positive for performance, while external management performance, in total, was slightly negative. Consequently, the findings of the Asset/Liability Study may provide valuable insights for portfolio strategy in light of reduced expectations for portfolio returns, including appropriate asset mix structure. Over longer time horizons, the investment portfolio has outperformed the passive benchmark by significant margins.

INVESTMENT INCOME

Investment income, excluding investment expenses, of $224.9 million reflects the recognition of all income and realized gains and losses during the year. In comparison, investment income of $215.7 million in 2003 was based on the moving average market method, which included current year income plus deferral and amortization of realized gains and losses and partial recognition of unrealized gains and losses. (See "Impact of Accounting Change" on page 200 for the effect of fair value accounting on current year investment income).



	2000	2001	2002	2003	2004
Derivatives	0.0	0.0	0.0	31.9	22.0
Gains/(Losses)	266.2	185.8	67.6	60.0	42.7
Real Estate	6.9	6.7	6.8	7.3	7.4
Interest	128.7	107.4	100.8	89.2	100.4
Dividends	27.7	31.4	23.2	27.3	52.4

- *2004 investment income based on fair value accounting. Prior years have not been restated*
- *Investment income numbers are gross, i.e., excludes internal investment expenses*
- *Derivatives for 2000, 2001, and 2002 included in investment gains as previous accounting practice did not track them.*
- *2004 gains are net of a provision for impairment writedown of $39.6 million*

Claim Benefit Liabilities

At the end of each fiscal year, the WCB determines its claim benefit liabilities for all injuries that have taken place up to that date. These liabilities represent the actuarial present value of all future benefit costs. Liabilities of self-insured employers are not included.

As at December 31, 2004, actuarial liabilities aggregated to $3.9 billion, an increase of $195.8 million or 5.2% over the previous year.

CHANGES IN ACTUARIAL ASSUMPTIONS

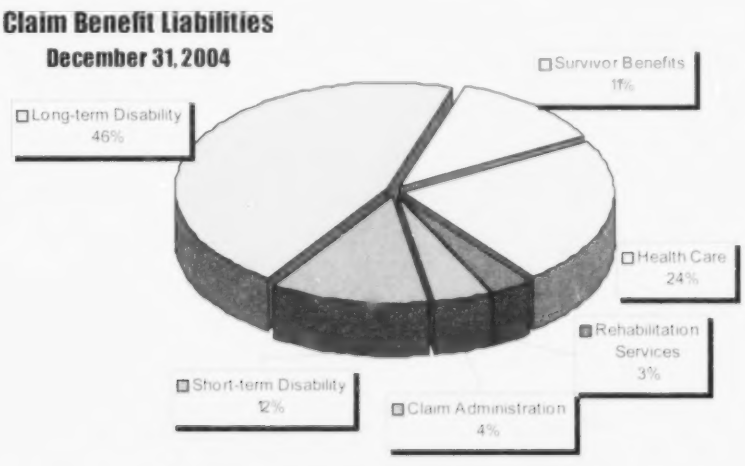
The real discount rate of 3.5% was reduced to 3.25% in 2004. This change results from a decrease in the nominal long-term expected return and a decrease in the long-term expected inflation rate. The decrease in the expected return results in an increase in the liability of approximately $248.0 million. The decrease in expected inflation results in a reduction of approximately $128.0 million in the non-health care related liabilities. The healthcare inflation rate was also reduced, resulting in a decrease in the liability of approximately $31.0 million. The net impact of these assumption changes is an increase of $88.6 million in the claim benefit liability for prior years' accidents (accidents occurring before 2004). Other assumptions have not materially changed from 2004.

IMPACT OF CLAIMS EXPERIENCE ON LIABILITIES

Successful claim resolution continues to positively impact the liability for Temporary Total Disability (TTD) benefits. The total number of TTD days paid was down by more than 20% in 2004 as compared to 2003, leading to a decrease in the TTD liability of $31.2 million. This gain was offset by a $14.5 million increase in the liability for Return to Work Services (treatment centres) that help injured workers return to work quickly and safely.

Actual wage growth experience for individuals receiving Economic Loss Payments (ELPs) was better than expected – meaning more workers returned to higher than pre-accident wages. Therefore, there was a reduction in ELPs. Payments for those continuing to receive ELPs were also lower than expected. This resulted in a decrease of about $15.2 million in the liability.

Actual inflation for 2004 was lower than assumed in the 2003 year end valuation, resulting in $35.0 million being released from the liability.



Sensitivity of actuarial assumptions

Claim benefit liabilities are estimated primarily using actuarial assumptions for the discount rate based on expected investment returns, the claim incidence rate, cost escalation rate and benefits duration. Due to the large values involved, the liability estimates are highly sensitive to even small changes in these actuarial assumptions. For example:

- For every 0.25% nominal decrease in the return expectation, the liability increases by approximately $100 million ($70 million for prior years' accidents)
- For every 0.25% nominal decrease in the inflation expectation, the liability decreases by approximately $75 million ($50 million for prior years' accidents)
- For every 0.25% nominal decrease in the Healthcare inflation rate, the liability decreases by approximately $25 million ($20 million for prior years' accidents)

Risk Management

OVERSIGHT

Under the WCB corporate governance structure, the Board of Directors is responsible for overall risk management. The executive team is responsible for identifying and managing risks within the organization. They are assisted in this responsibility by the Risk Management Committee, which is comprised of a group of senior managers.

RISK ASSESSMENT

The WCB has three primary processes for managing risk in the corporation. First, risk management is an inherent aspect of day-to-day business. Projects or changes to business processes are required to go through a documented risk analysis to assess the risk to the corporation and to identify mitigation plans and controls to lessen/eliminate the likelihood or impact of the these risks. The second process is to systematically complete a comprehensive risk assessment of emerging corporate risks as they develop through the year on an ad hoc basis. Finally, the WCB also completes an annual corporate risk assessment that engages a selection of front line staff, departmental management teams, and senior managers to develop a comprehensive organizational risk register. Risks with the highest potential residual impact to the corporation are prioritized each year by the executive team, and a number are selected for comprehensive risk assessment.

For 2004, these key risk assessments included:

Fraud-related risk
The WCB annually collects nearly a billion dollars in premium revenue and distributes or reserves the same amount for claim benefits and administrative costs. The magnitude and volume of the number of individuals involved in these processes – over 100,000 employers, 150,000 claimants, and thousands of service providers – creates an inherent risk for fraud. The executive team assessed the organization's ability to protect against fraud issues and identify controls that could improve our control environment as it relates to these risks. New controls have been put in place to strengthen the WCB's management of fraud risk.

Funded position risk
Managing the components of the WCB's overall funded position (Fund Balance, ODR, and AOCI) is a complex process that requires accurate forecasting and achievement in operational performance, liability assessment, and investment management. The executive team recognized that as the WCB approaches a fully funded level, additional challenges would be faced by the organization to maintain this balance. An assessment was completed to identify the risks associated with this position and a long-term strategic approach is being developed to improve processes for maintaining a fully funded position.

Regulatory risk
Evolving accounting standards and actuarial practices are being developed to protect shareholders and stakeholders in light of several major financial issues in the world markets. These new developments will have a significant impact on the WCB given the size and management of its assets and liabilities. The executive team undertook an assessment of these changes with consideration of the business impact. New processes and approaches have been adopted to ensure that the organization will be compliant with emerging accounting standards and accepted business best practices.

IMPACT OF ACCOUNTING CHANGE

On January 27, 2005, the CICA released two new Handbook sections; Section 3855 *Financial Instruments – Recognition and Measurement*, and Section 1530 *Comprehensive Income*, both effective for fiscal years beginning after October 1, 2006. With early adoption for fiscal 2004 permitted under the new standards, WCB-Alberta decided to apply the accounting policy change for fiscal 2004. The primary impact entails changing to fair value accounting for investment assets from the moving average market basis, along with the introduction of other comprehensive income.

The primary objective of moving average market accounting was to smooth investment income over a reasonable period to minimize volatility in premium rates. Realized and unrealized gains and losses were amortized to income over a five-year period. Under fair value accounting, the carrying value of investments is adjusted to current market value as at each reporting date. Under fair value accounting, the WCB can elect to designate its portfolio investments as available-for-sale in order to defer unrealized[6] gains and losses through other comprehensive income. Realized gains and losses on sale, write-downs, and derecognition of financial instruments (including derivatives), are recognized in the statement of operations in the period that they arose. Previously deferred unrealized gains and losses included in accumulated other comprehensive income are reclassified to the statement of operations in the period of recognition.

TRANSITIONAL ADJUSTMENTS

Under the transitional provisions of fair value accounting, financial assets and liabilities recognized under the previous accounting policy for investments must be adjusted to opening retained earnings. As a result, reclassification of the deferred revenue balance as at January 1, 2004 increased the opening Fund Balance by $51.9 million. This was offset by a $246.6 million reduction, ($253.6 million less $7.0 million gain on derivatives), to reflect the opening balance of other comprehensive income as reported by the custodian. The net effect on opening Fund Balance was a reduction of $194.7 million from $311.0 million to $116.3 million, with other comprehensive income showing a balance of $440.0 million. This figure represents net unrealized gains in the investment portfolio, reflecting revaluation of available-for-sale securities to fair value as at January 1, 2004.

[6] Unrealized gains and losses arise from holding investments during a period of changing market values. Under the new accounting policy, such changes in fair value are reflected in the balance sheet carrying value of investments, with the associated gains and losses included in other comprehensive income.

IMPACT ON CURRENT YEAR RESULTS

For 2004, investment income of $224.3 million includes a net realized gain of $82.3 million that would have been deferred and amortized under the previous accounting method, offset by an impairment write-down loss of $39.6 million. As at December 31, 2004, the carrying value of investments of $5.08 billion included an unrealized fair value gain of approximately $262.6 million arising during 2004. The corresponding carrying value of the portfolio under the previous accounting method would have been approximately $4.7 billion.

Fair value accounting requires an annual review for impairment of investments at the security level, rather than at the portfolio level under the previous accounting policy. Generally, impairment is considered to have taken place when the carrying value of a security is below its fair value for a prolonged period. Following such review, the WCB recorded a write-down of impaired investments by $39.6 million to reflect their current realizable value, based on the recommendations of the respective fund managers. The impairment write-down was reflected as a reduction in investment revenue in the statements of operations.

IMPACT ON FUNDED POSITION

With the net transitional adjustment to opening fund balance of $194.7 million and the transfer to the Occupational Disease Reserve, Fund Balance as at December 31, 2004 was $359.0 million or 8.9% of total liabilities. Inclusion of the 6% Occupational Disease Reserve increased the funded ratio to 14.9%. Bringing other comprehensive income into the funding equation would result in a funded position (ratio of assets to liabilities) of 131.3%. The WCB is developing a new funding policy to address the implications of the accounting change. Further discussion can be found in the Funded Position section on pages 194-195.

IMPACT ON FUTURE RESULTS

The adoption of fair value accounting will introduce greater volatility into the statement of operations due to recognition of all realized gains and losses in income. Similarly, investments will fluctuate with fair value adjustments, creating variability in funding ratios that use investment and/or total asset balances.

For further discussion on fair value accounting, please refer to "Investment Income" and "Critical Accounting Policies and Estimates" on pages 197 and 201 respectively in the MD&A, and to note 3 "Accounting Policy Changes" in the accompanying financial statements and notes.

Critical Accounting Policies and Estimates

Adoption of accounting policies in accordance with Canadian GAAP requires management to make assumptions and estimates that could significantly affect the results of operations and financial condition. The following discussion provides an overview of the significant accounting policies that may have a material effect on the financial statements.

FUNDING

On an annual basis, the WCB's funding requirements are estimated for the next five years. In advance of the fiscal year, and based on funding policy and the projections in the Five Year Plan, the WCB determines the total amount of premiums and the average premium rate necessary to cover estimated claims costs, statutory levies, administration expenses, and reserve funding requirements. As premium rates are set well in advance of revenue being realized, they reflect macroeconomic and business assumptions that will likely change prior to and during the fiscal period. Consequently, the amount of premiums collected and investment income may not be sufficient to cover fully funded costs.

INVESTMENTS

Investment assets are considered to be financial instruments and are accounted for at fair value as at the reporting date. For fixed income and equities, fair value is based on publicly quoted market prices. When the fair value of certain investments falls significantly below their carrying value, management applies an impairment review to write down those securities to fair value. Unrecognized fair value changes are excluded from income and recorded in accumulated other comprehensive income. The intent of fair value accounting for investments is to reflect market-based realization value, which could introduce significant volatility in the balance sheet. Any funding ratios based on asset values would therefore be subject to volatility as well.

PREMIUM REVENUE

Premiums are billed when employers file their annual insurable payroll, based on the premium rate for their industry, experience rating, and custom pricing structure, if applicable. Employers who elect to participate in the "Partners in Injury Reduction" program may receive a premium rebate based on achieving the program's standards. Rebates are paid in the spring of the year following their participation. In addition, in those fiscal periods when the WCB is fully funded at 116% of liabilities, excess funding may be returned to employers. As a result, these programs directly affect premium revenue for the period.

INVESTMENT INCOME

Fair value accounting permits the WCB an election to designate its portfolio as available-for-sale, under which investments are held primarily to maintain capital and to generate investment income over the long term. This characterization excludes unrealized gains and losses from income, and included in accumulated other comprehensive income. Such unrealized gains and losses are recognized in income when securities are sold, written down, or no longer qualifying as financial instruments, through reclassification from accumulated other comprehensive income to the statement of operations. Non-hedging derivatives are designated as held-for-trading, with realized and unrealized fair value gains and losses included in income for the period. Fixed income revenue (i.e., interest and dividends) is recognized in income on an accrual basis. Fund management, custodial, and administrative expenses are netted against investment revenue from the respective funds under administration.

The policy choice to classify investments as available-for-sale allows the WCB to minimize investment income volatility by deferring recognition of unrealized holding gains and losses through the use of other comprehensive income.

ACTUARIAL VALUATION

The WCB has significant long-term obligations for compensation benefits to injured workers. These liabilities have maturities extending decades into the future, representing a continuing stream of cash outflows in each accounting period. The WCB applies the Actuarial Present Value (APV) methodology for its claim liabilities. Under the APV, each benefit cost stream is projected for a number of years into the future, and discounted back to present value using a discount rate linked to the return on investment assets funding those liabilities. Measurement uncertainty is high because estimates of the amount, timing, and duration of the benefit commitments, and selection of an appropriate discount rate, all involve highly subjective professional judgment, and are affected by external factors outside management's control. Consequently, the selection of one assumption over another in estimating claim benefit liabilities could have a material impact on future expenses and liabilities.

ASSET CAPITALIZATION AND AMORTIZATION

The acquisition cost of tangible long-lived assets is amortized over their useful lives. Selection of applicable costs to capitalize, and the estimate of asset useful life, both require application of professional judgment in conjunction with corporate policy and business and industry practice. Furthermore, future periods will be impacted through the choice of useful life and amortization pattern, which directly affects the timing and amount of expense recognized in those future periods.

EMERGING ISSUES

The Canadian Accounting Standards Board is following developments in the U.S. concerning impairment of investments. Current CICA guidance requires an annual review of securities for impairment, relying on professional judgment to determine the timing and amount of any write-down arising from the review. Depending on the outcome of the U.S. deliberations, future guidance on impairment may become more prescriptive, curtailing the degree of management discretion as to the timing and amount of the write-down.

Looking Ahead

Fiscal 2004 finished on a strong note, with sustained premium growth, an upturn in investment performance, significant achievements in service delivery, and successful claims resolution initiatives. As a result, not only are the WCB's finances solid, but most encouraging, a key contributing factor was the improvement in operating performance. Validation of the WCB's service model provides a solid base for ongoing enhancements in delivering services to injured workers.

Facing the uncertainty of market returns, and the financial implications of fair value accounting, the WCB, together with its stakeholders, must deliver another solid performance in 2005 to achieve funding objectives. Through strong financial performance, attainment of full funding at target level will help ensure rate stability for the foreseeable future.

RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements; and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Eckler Partners Ltd. has been appointed as the independent peer review actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial principles.

The Office of the Auditor General, the independent auditor of the WCB, has performed an audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.

David B. Carpenter, FCA
Chair, Board of Directors

Guy R. Kerr
President and
Chief Executive Officer

Randell W. Garvey
Chief Financial Officer

Workers' Compensation Board
Alberta

To the Board of Directors of the Workers' Compensation Board – Alberta

We have completed an actuarial valuation of the benefit liabilities under the Workers' Compensation Act of Alberta as at December 31, 2004, for the financial statements of the Workers' Compensation Board.

Our estimate of the benefit liabilities of $3,921.3 million represents the actuarial present value at December 31, 2004, of all expected short term disability benefits, long-term disability benefits, survivor benefits, health care payments, rehabilitation payments and claims administration expenses related to claims which occurred on or before December 31, 2004. This estimate is based on the legislation, policies and administrative practices in effect at December 31, 2004. The benefit liabilities do not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

The following assumption changes were made in this valuation. The numbers in brackets are the corresponding assumptions applied in the 2003 year-end valuation.

The economic assumptions underlying the calculations made in this report are a 3.25% (3.50%) per annum real rate of return on invested assets and an annual change in Consumer Price Index of 2.75% (3.38%). Benefits that are increased in accordance with the Cost of Living Adjustment policy are assumed to increase at a rate of 2.25% (2.88%) and are therefore valued using a net discount rate of 3.75% (4.00%) per annum. Health Care and Rehabilitation benefits are assumed to grow at annual rates of 6.00% (6.47%) and 3.75% (4.39%) respectively and are valued using net discount rates of 0.08% (0.50%) and 2.25% (2.50%) respectively.

Pharmaceutical costs are assumed to grow at a rate of 9.00% (9.14%) per annum over a select period of five years following the valuation date. Self Managed Personal Care Allowances are assumed to grow at a rate of 2.25% (2.88%) per annum over a select period of five years following the valuation date. Each of these latter categories revert to the long-term Health Care growth rate of 6.00% (6.47%) following the select period.

Liabilities in respect of permanent disability and survivor benefits are based on factors developed from historical patterns of awards and mortality rates. Liabilities in respect of Economic Loss Payments are based on a combination of the Alberta Workers' Compensation Board's own experience and the experience of another Canadian Workers' Compensation Board that has been providing similar benefits for a longer period of time.

Liabilities in respect of all other benefits are based on a continuation of recent payment patterns by year since accident.

I have reviewed the valuation data for reasonableness and consistency with data used in prior years and with data used in the financial statements.

In my opinion the data is sufficient and reliable, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice. This valuation report has been prepared and my opinion has been given in accordance with accepted actuarial practice.

Michael Williams, F.S.A., F.C.I.A.
Chief Actuary
Workers' Compensation Board – Alberta

March 15, 2005

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Benefit Liabilities of the Workers' Compensation Board - Alberta as at December 31, 2004

I have reviewed the actuarial valuation of the benefit liabilities of the Workers' Compensation Board - Alberta (WCB) as at December 31, 2004 with respect to future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date.

The actuarial services staff of the WCB's Financial Planning Department is responsible for this valuation and the Chief Actuary has provided his opinion that the data is sufficient and reliable for the purpose of the valuation, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice, and that his valuation report has been prepared and his opinion has been given in accordance with accepted actuarial practice.

The valuation was based on the provisions of the Workers' Compensation Act of Alberta and on the WCB's policies and administrative practices in effect as of December 31, 2004. I have examined the appropriateness of the data and the procedures used to verify its integrity, the assumptions and methods selected for the valuation, as well as their application for the calculation of the benefit liabilities.

For this valuation, several changes were made to the economic assumptions; the other assumptions and methods employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns.

The estimate of the benefit liabilities of $3,921.3 million represents the actuarial present value of future payments with respect to claims occurred on or before December 31, 2004. In my opinion, that amount makes reasonable provision for future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date; it does not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

In my opinion, the data on which the valuation is based is sufficient and reliable, the assumptions, in aggregate, are appropriate for the purposes of the valuation, and the methods employed are also appropriate. This report has been prepared and my opinion given in accordance with accepted actuarial practice.

Richard Larouche, F.S.A., F.C.I.A.
Eckler Partners Ltd.

March 15, 2005

AUDITOR'S REPORT

AUDITOR GENERAL *Alberta*

To the Board of Directors of the Workers' Compensation Board of Alberta

I have audited the balance sheet of the Workers' Compensation Board of Alberta as at December 31, 2004 and the statement of operations, statement of comprehensive income, statement of changes in funded position, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2004 and the results of its operations, results of its comprehensive income, movements in funded position, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
March 15, 2005

The Workers' Compensation Board of Alberta
Balance Sheet
As at December 31
(thousands of dollars)

	Notes	2004	2003
ASSETS			
Cash and cash equivalents		**$ 55,877**	$ 164,672
Receivables	4	**97,548**	91,443
Investments	5	**5,077,585**	4,088,360
Property, plant and equipment	7	**52,967**	58,440
		$ 5,283,977	$ 4,402,915
LIABILITIES			
Payables and accruals	8	**$ 102,308**	$ 82,810
Deferred revenue		**-**	51,903
Claim benefit liabilities	9	**3,921,300**	3,725,500
		4,023,608	3,860,213
FUNDED POSITION			
Occupational disease reserve		**241,500**	231,700
Fund balance		**358,978**	311,002
Accumulated other comprehensive income	5	**659,891**	-
		1,260,369	542,702
		$ 5,283,977	$ 4,402,915
COMMITMENTS	19		
CONTINGENCIES AND INDEMNIFICATION	20		

The accompanying notes and schedule are an integral part of these financial statements.

Approved by the Board of Directors:

DAVID B. CARPENTER, FCA
CHAIR, BOARD OF DIRECTORS

GUY R. KERR
PRESIDENT & CHIEF EXECUTIVE OFFICER

The Workers' Compensation Board of Alberta
Statement of Operations
Year Ended December 31
(thousands of dollars)

	Notes	2004 Budget	2004 Actual	2003 Actual
REVENUE				
Premium	11	$ 919,900	$ 936,178	$ 877,642
Investment	12	120,000	224,336	214,972
Other	13	800	2,967	1,696
		1,040,700	1,163,481	1,094,310
EXPENSES				
Claim costs	9	919,900	825,840	860,091
Administration	14	62,900	62,515	59,333
Injury reduction	16	15,900	15,853	15,331
Appeals Commission	17	7,300	6,833	5,846
		1,006,000	911,041	940,601
OPERATING SURPLUS		$ 34,700	$ 252,440	$ 153,709

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board of Alberta
Statement of Comprehensive Income
Year Ended December 31
(thousands of dollars)

	Notes	2004	2003
OPERATING SURPLUS		$ 252,440	$ 153,709
OTHER COMPREHENSIVE INCOME			
Net unrealized gains on available-for-sale investments arising during the year		262,577	-
Net investment (gains) realized during the year and reported in the statement of operations		(82,284)	-
Loss recognized during the year from writedown of impaired investments and reported in the statement of operations	5	39,553	-
		219,846	-
TOTAL COMPREHENSIVE INCOME		$ 472,286	$ 153,709

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board of Alberta
Statement of Changes in Funded Position
Year Ended December 31
(thousands of dollars)

	Notes	2004	2003
OCCUPATIONAL DISEASE RESERVE			
Balance, beginning of year		$ 231,700	$ 221,800
Transfer from fund balance		9,800	9,900
Balance, end of year		241,500	231,700
FUND BALANCE			
Balance, beginning of year - as reported		311,002	167,193
Effects of accounting policy change at January 1, 2004:			
Elimination of deferred revenue liability	3	51,903	-
Adjustment of accumulated other comprehensive income for previously recognized unrealized gains	3	(253,621)	-
Adjustment of held-for-trading derivatives to fair value not previously recognized in income	3	7,054	
Balance, beginning of year - adjusted		116,338	167,193
Operating surplus		252,440	153,709
Transfer to reserve		(9,800)	(9,900)
Balance, end of year		358,978	311,002
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Effect of accounting policy change at January 1, 2004:			
Recognition of unrealized gains on available-for-sale investments	3	440,045	-
Other comprehensive income		219,846	-
Balance, end of year		659,891	-
		$ 1,260,369	$ 542,702

The accompanying notes and schedule are an integral part of these financial statements.

The Workers' Compensation Board of Alberta
Statement of Cash Flows
Year Ended December 31
(thousands of dollars)

	2004 Budget	2004 Actual	2003 Actual
CASH FLOW FROM (USED FOR) OPERATING ACTIVITIES			
Cash inflows:			
Employer premiums	$ 920,500	$ 949,989	$ 853,223
Reinvested dividend, interest, and derivative income	138,500	181,604	92,360
Other	2,500	1,988	2,092
Cash outflows:			
Benefits to claimants and/or third parties on their behalf	(590,700)	(543,031)	(567,696)
Employee and supplier payments for administrative and other goods and services	(145,900)	(140,713)	(137,742)
Injury reduction program funding	(15,700)	(18,091)	(14,505)
Net cash from operating activities	309,200	431,746	227,732
CASH FLOW FROM (USED FOR) INVESTING ACTIVITIES			
Cash inflows:			
Proceeds on sale of investments	-	-	108,181
Reinvested net realized gains	-	82,284	30,719
Cash outflows:			
Purchase of investments	(302,200)	(615,455)	(349,278)
Purchase of capital assets - net of disposals	(7,000)	(7,370)	(6,223)
Net cash used for investing activities	(309,200)	(540,541)	(216,601)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(108,795)	11,131
Cash and cash equivalents, beginning of year	80,000	164,672	153,541
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 80,000	$ 55,877	$ 164,672

The accompanying notes and schedule are an integral part of these financial statements.

Notes to the Financial Statements

(thousands of dollars unless stated otherwise)

1. General

Legislative authority

The Workers' Compensation Board of Alberta (the WCB) operates under the authority of the Workers' Compensation Act (the Act), Revised Statutes of Alberta 2000, Chapter W-15, as amended.

Funding

In accordance with Section 91 of the Workers' Compensation Act, the Board of Directors established a funding policy to ensure that the WCB remains financially stable and secure into the future for the benefit of its stakeholders. The Act stipulates the creation of an Accident Fund that contains sufficient funds for the payment of present and future compensation, and also includes a reserve fund to recognize the degree of uncertainty in the business of workers' compensation.

The Occupational Disease Reserve was established to provide for the costs that may arise from long-latency occupational injury or disease where a causal link to the workplace has not yet been established, but may be established in the future. No provision against operating surplus/deficit has been made for future claims arising from such injury or disease, because the determination of such claims cannot be reasonably estimated. The reserve is maintained at 6% of total liabilities in each year through an annual appropriation from the Fund Balance.

2. Significant Accounting Policies

Basis of presentation

The financial statements of the WCB have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with GAAP requires the use of estimates as at the date of the financial statements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented. Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Some accounting measurements require management's best estimates, based on assumptions as at the financial statement date, that reflect the most probable set of economic conditions and planned courses of action. Claim benefit liabilities, the reserve for occupational disease, partners in injury reduction accrual, and accrued premiums are the most significant items based on estimates. Actual results could differ from the estimates in these financial statements made by management, and these differences could be significant.

Cash and cash equivalents

Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

2. Significant Accounting Policies – continued

Fixed income and marketable equity securities
Fixed income and marketable equity securities are classified as available-for-sale (investments held for long-term capital appreciation and generation of income), and are measured at fair value at each reporting date. The WCB utilizes trade-date accounting for all purchases and sales of financial assets in its investment portfolio. Fixed income securities are initially recognized at acquisition cost (purchase price plus transaction costs), which reflects any premium or discount at date of purchase, and carried at fair value. Marketable equity securities are also initially recognized at acquisition cost, and subsequently measured at fair value.

Derivative financial instruments
Derivative financial instruments are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates, or indices. Derivative financial instruments comprise derivatives (held-for-trading instruments primarily intended to achieve portfolio management efficiencies), and risk management derivatives (hedging arrangements undertaken to manage financial risk). Investments, primarily pooled funds, may include derivative financial instruments such as interest rate swaps, equity and bond index swaps, forward foreign exchange contracts, cross-currency interest rate swaps, equity index futures contracts, and credit default swaps, that are utilized to manage specific exposures. From time to time, the WCB's portfolio may include derivative arrangements for the purpose of executing specific portfolio management strategies, but the WCB does not directly hold any derivative financial instruments for trading or speculative purposes. The notional amounts of derivative contracts are not recognized in the financial statements.

The carrying value of derivative assets or liabilities, which represents the unrealized gain or loss on the respective contracts as at the reporting date, is adjusted to fair value through operating surplus/deficit if they do not meet hedge accounting criteria. Risk management derivatives meeting such requirements are also measured at fair value, except that the unrealized gain or loss is deferred through accumulated other comprehensive income (AOCI) until final settlement.

Comprehensive income reporting
Comprehensive income is the change in equity (funded position) during the fiscal period, and is comprised of current operating surplus/deficit and other comprehensive income (OCI).

OCI encompasses changes in equity other than operating surplus or deficit, and is comprised of unrealized fair value gains and losses on financial instruments arising during the period, less previously deferred unrealized gains and losses that have been realized during the period through sale or provided for as a writedown and recognized in current operating surplus/deficit.

AOCI includes only those unrealized fair value gains and losses arising from holding financial instruments. When the underlying securities are subsequently sold or written down, the resulting realized gain or loss is removed from AOCI and recorded as investment income in the statement of operations.

2. Significant Accounting Policies - continued

Investment revenue
The WCB recognizes dividend and interest revenue as earned, and investment gains and losses when realized. Realized gains and losses represent the difference between the amounts recognized through sales of investments and their respective cost base, as well as the amounts provided for as a writedown due to impairment. Unrealized gains and losses on available-for-sale securities are recorded in OCI until recognized in operating surplus/deficit when realized.

The fair value of derivative financial instruments represents unrealized gains and losses on open contract positions. In accordance with the held-for-trading classification, both realized and unrealized gains on derivatives are recognized in operating surplus/deficit as at the balance sheet date. Unrealized gains and losses on risk management derivatives are recorded in AOCI until realized.

Investment expenses
Transaction costs are included in the carrying value of individual securities and recognized as part of the realized gains or losses when they are sold or written down. Investment expenses, including custodial and management fees as well as internal salaries and expenses related to investment administration, are also netted against investment income.

See Note 12 *Investment Income* for details.

Impairment
When an investment's fair value falls below its cost, and the decline is determined to be other-than-temporary, a provision for the difference between cost and realizable value is recorded against investment income in the statement of operations. In determining whether a decline in an investment's fair value is other-than-temporary, the WCB considers the extent and duration to which a security's market value has been less than its cost, prospects for recovery based on the financial condition and future earnings potential of the issuer, recommendations and opinions from outside investment managers, and the current economic environment.

Property, plant and equipment
Capital assets are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the following methods and annual rates:

Buildings	2.5% straight-line
Equipment - computer	35% declining balance
- furniture and other	15% declining balance
- vehicles	20% straight-line
Computer software	20% straight-line

On an annual basis, the WCB evaluates its capital assets to determine whether asset values have been impaired due to obsolescence and/or redundancy. For those assets that have been determined to be impaired, the WCB writes off their carrying value to amortization expense.

Foreign currency translation
Assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign currency transactions are translated into Canadian dollars using the average rate of exchange. All foreign currency gains and losses are recognized in operating surplus/deficit in the period in which they arose.

2. Significant Accounting Policies - continued

Premium revenue
Premiums are billed when employers file their insurable payroll for the current premium year. Premium revenue for the year is recognized on an estimated basis as insurable payroll is incurred. For employers who have not filed, premiums are estimated and any difference between actual and estimated premiums is adjusted in the following year. Premium revenue is net of rebates in effect during the year such as Partners in Injury Reduction.

3. Accounting Policy Changes

Fair value accounting for investments
Effective January 1, 2004, the WCB adopted the provisions of CICA Handbook Section 3855 *Financial Instruments – Recognition and Measurement*, and its companion Section 1530 *Comprehensive Income*, which were released in January 2005 with an effective date for fiscal periods beginning on or after October 1, 2006. Under the transitional provisions, early adoption is permitted as of the beginning of fiscal 2004. Comparative prior period results are not restated, but are reclassified to conform to the current year's presentation.

See Note 2 *Significant Accounting Policies* for the accounting policies and treatments prescribed by Sections 3855 and 1530 for investments, derivative financial instruments, investment income, impairment, and related reporting for comprehensive income, respectively.

Transitional impact
The following table summarizes the significant adjustments to opening balances in adopting the new accounting policy:

($ thousands)	Fund Balance	AOCI
Gain (loss) arising from transitional adjustments:		
Remeasurement of investment values under moving average market basis to fair value basis	$ -	$ 193,478
Elimination of deferred revenue liability	51,903	-
Adjustment of accumulated other comprehensive income for previously recognized unrealized gains	(253,621)	253,621
Adjustment of held-for-trading derivatives to fair value not previously recognized in income	7,054	(7,054)
	$ (194,664)	$ 440,045

The adjustment of $253.6 million, representing unrealized gains and losses already recognized in income under the previous accounting policy, was recorded as a reduction of opening Fund Balance. This treatment was adopted to comply with the WCB's accounting policy for AOCI, which stipulates that it contains all unrealized holding gains and losses; however, other reporting entities may adopt different transitional accounting treatments for AOCI.

3. Accounting Policy Changes - continued

Impact on current year results

The fair value of investments as at December 31, 2004 was $5.1 billion. Under the moving average market method, that was used in the prior year, investments would have been valued at $4.7 billion. Investment income for 2004 was $224.3 million compared to $177.7 million that would have been reported under the previous accounting policy.

4. Receivables

($ thousands)	2004	2003
Premium	$ 91,757	$ 86,203
Other	5,791	5,240
	$ 97,548	$ 91,443

5. Investments

The tables below present the fair value of the WCB's investments as at December 31, 2004 and 2003, together with the change in fair value from their cost base.

2004				
			Fair Value Gain (Loss)	
($ thousands)	Fair Value	Cost	Mark-to-Market	Derivative Contracts	Accumulated Other Comprehensive Income
Fixed income:					
Conventional bonds	$ 1,579,418	$ 1,517,551	$ 61,867	$ -	$ 61,867
Real return bonds	347,788	269,870	77,918	-	77,918
	1,927,206	1,787,421	139,785	-	139,785
Real estate fund	141,480	104,982	36,498	-	36,498
Equities:					
North America:					
Canada	1,131,959	892,145	239,814	6,215	233,599
U.S.	779,258	697,439	81,819	-	81,819
Foreign:					
International	831,003	730,394	100,609	(815)	101,424
Emerging markets	266,679	199,887	66,792	26	66,766
	3,008,899	2,519,865	489,034	5,426	483,608
	$ 5,077,585	$ 4,412,268	$ 665,317	$ 5,426	$ 659,891

See Note 12 *Investment Income* for an analysis of the sources of investment income.

For the year ended December 31, 2004, the WCB recognized impairment losses that the WCB believed to be other-than-temporary of approximately $39.6 million (2003 – nil). The provision for writedown has been included in investment income on the statement of operations and statement of comprehensive income. Accordingly, Fund Balance has been reduced and AOCI increased by an equal amount.

5. Investments – continued

	2003				
			Fair Value Gain (Loss)		
($ thousands)	Fair Value	Carrying Value	Unrecognized Unrealized Gain (Loss)	Derivative Contracts	Net Unrecognized Unrealized Gain (Loss)
Fixed income:					
Conventional bonds	$ 1,335,033	$ 1,272,039	$ 62,994	$ -	$ 62,994
Real return bonds	304,921	259,995	44,926	-	44,926
	1,639,954	1,532,034	107,920	-	107,920
Real estate fund	135,704	129,017	6,687	-	6,687
Equities:					
North America					
Canada	939,633	833,489	106,144	6,835	99,309
U.S.	653,552	718,956	(65,404)	-	(65,404)
Foreign					
International	679,936	675,631	4,305	(211)	4,516
Emerging markets	233,059	199,233	33,826	430	33,396
	2,506,180	2,427,309	78,871	7,054	71,817
	$ 4,281,838	$ 4,088,360	$ 193,478	$ 7,054	$ 186,424

*2003 carrying value based on the moving average market accounting method has not been restated to conform to the current basis of accounting

6. Financial Instruments and Risk Management

Fair value of financial instruments

The carrying value of cash and cash equivalents, receivables, payables, and certain accrued liabilities approximate their fair value due to the relatively short maturities of the instruments. The fair value of publicly-traded investments is based on quoted market prices. The fair value of pooled real estate investments is based on independent appraisals net of any liabilities against the real properties.

The fair value of derivative financial instruments is based on the estimated amounts receivable or payable from the derivative contracts at the reporting date. As a participant in pooled funds that may utilize derivatives, the WCB has no direct exposure for such positions; rather, its exposure is its pro rata share of the fund's net asset value.

Notional principal amounts in swaps and foreign exchange contracts are the contractual amounts on which payments are made. They are not indicative of the credit exposure with derivative products. If the counterparty to the derivative fails to discharge its obligation, then the fair value is the credit exposure of the WCB.

The fair value of the WCB's derivative positions in its segregated funds is determined by the following methods:

- Interest rate swaps and cross-currency swaps are valued based on discounted cash flows using current market yields and exchange rates
- Forward foreign exchange contracts and equity index futures contracts are valued based on quoted market prices

6. Financial Instruments and Risk Management – continued

- Equity and bond index swaps are valued based on changes in the relevant market indices net of accrued floating rate interest
- Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities

The table below summarizes the open derivative positions and the associated unrecognized gains or losses as at December 31, 2004.

Table 1 ($ thousands)	2004 Notional Principal	2004 Fair Value	2003 Notional Principal	2003 Fair Value
Derivatives				
Interest rate swaps	$ 106,070	$ (3,331)	$ 106,287	$ (4,287)
Forward foreign exchange contracts	82,023	(43)	37,750	(211)
Equity index swaps	228,068	5,740	192,056	6,531
Bond index swaps	31,535	597	21,501	30
Equity index futures contracts	7,591	475	6,433	436
Credit default swaps	29,306	254	4,501	(55)
Cross-currency interest rate swaps	182,942	(8,354)	93,584	(7,932)
	$ 667,535	$ (4,662)	$ 462,112	$ (5,488)

The table below presents the maturity periods of the open derivative contract positions and their respective notional amounts as at December 31, 2004.

Table 2 ($ thousands) Notional Principal	Remaining term to maturity: Within 1 Year	Over 1 To 3 Years	Over 3 To 5 Years	Over 5 Years	2004	2003
Derivatives						
Interest rate swaps	$ 51,417	$ 48,131	$ 6,522	$ -	$ 106,070	$106,287
Forward foreign exchange contracts	82,023	-	-	-	82,023	37,750
Equity index swaps	195,311	32,757	-	-	228,068	192,056
Bond index swaps	31,535	-	-	-	31,535	21,501
Equity index futures contracts	7,591	-	-	-	7,591	6,433
Credit default swaps	6,308	17,004	5,994	-	29,306	4,501
Cross-currency interest rate swaps	16,332	35,134	23,333	108,143	182,942	93,584
	$ 390,517	$ 133,026	$ 35,849	$ 108,143	$ 667,535	$462,112

6. Financial Instruments and Risk Management – continued

Risk management

The WCB regularly evaluates the appropriateness of investments relative to its internal investment guidelines, which are primarily aimed at long-term capital preservation and security of income. The WCB operates within these guidelines by maintaining a well-diversified portfolio, both across and within asset classes.

The Finance Committee of the Board of Directors is responsible for oversight of risk management of the WCB's investment portfolio. From time to time, the WCB has retained independent consultants to advise on the performance of its fund managers and the appropriateness of its investment policy. Management and the Board of the WCB will make necessary changes to investment policy, asset mix, or fund managers, as required.

The following sections describe the WCB's risk exposures and mitigation strategies.

Credit risk
Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument fails to perform. Counterparties for derivative contracts will have at least a Dominion Bond Rating Service (DBRS) A+ credit rating or equivalent rating from other recognized rating agencies. Issuers of debt instruments will have at least a credit rating of BBB or equivalent, or must meet other stringent investment criteria. Specific rules have been established to ensure that the credit rating of a counterparty does not fall below a threshold deemed acceptable by the WCB. The WCB does not anticipate that any counterparties will fail to meet their obligations.

Market risk
The WCB invests in publicly traded shares listed on domestic and foreign exchanges, and bonds traded over-the-counter through broker-dealers. These shares and bonds are affected by market changes and fluctuations. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Securities lending risk
The WCB may lend any of its investments to eligible third parties provided that the loans are secured by cash or readily marketable securities having a minimum fair value of 102% of the loan. As of December 31, 2004, outstanding securities on loan amounted to $364,011 (2003 – $483,880).

Foreign exchange risk
The WCB has certain obligations and investments denominated in foreign currencies. The WCB does not undertake long-term hedging strategies for the currency risk of foreign investments. Even though currency fluctuations may affect short-term returns, these fluctuations are not expected to affect the WCB's long-term invested positions. (See Tables 1 and 2 for the notional principal amounts on forward foreign exchange contracts and the related fair values).

Interest risk
The WCB's investment portfolio includes various types of interest rate contracts to manage interest rate risk.

6. Financial Instruments and Risk Management – continued

As at December 31, 2004, conventional bonds aggregated $1,579.4 million, with 2.3% of the fund maturing within one year, 38.7% within five years, 31.0% within ten years, 12.6% within twenty years, and 15.4% beyond twenty years, with an effective yield of 4.3% for the conventional bond portfolio.

For Canadian real return bonds, aggregate fair value was $347.8 million with 29.7% of the portfolio maturing in 2021, 31.3% in 2026, 29.3% in 2031, and 9.7% in 2036, with an effective yield of 2.0% on the real return bond portfolio.

7. Property, Plant and Equipment

($ thousands)	Cost	2004 Accumulated Amortization	Net Book Value	2003 Net Book Value
Land	$ 1,092	$ -	$ 1,092	$ 1,092
Buildings	37,829	(13,067)	24,762	25,414
Equipment	7,642	(6,611)	1,031	1,246
Computer software	81,190	(61,908)	19,282	19,754
Property, plant and equipment under development	6,800	-	6,800	10,934
	$ 134,553	$ (81,586)	$ 52,967	$ 58,440

8. Payables and Accruals

($ thousands)	2004	2003
Partners In Injury Reduction	$ 66,675	$ 47,311
Accrued staff benefits	21,523	20,222
Other	14,110	15,277
	$ 102,308	$ 82,810

9. Claim Benefit Liabilities

As at December 31, 2004, claim benefit liabilities are estimated by the WCB's internal actuary and independently reviewed by an external actuary. These liabilities represent the actuarial present value of all future benefit payments expected to be made for claims that have occurred in respect of current and prior years' injuries.

The claim benefit liabilities include a provision for all benefits provided by current legislation, WCB policies, and administrative practices. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

9. Claim Benefit Liabilities – continued

The actuarial liabilities of the WCB are of a long-term nature and therefore the actuarial assumptions and methods used to calculate the reported actuarial liabilities at December 31, 2004 are based on considerations of future expenditures over the long term. It is reasonably possible that changes in future conditions within one year of the financial statement date could require a material change in the recognized amounts.

The table below presents a breakdown of the WCB's total claim liabilities as at December 31, 2004, with details of the transactions during the year.

($ thousands)	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Claim Admin-istration	2004	2003
Claim benefit liabilities, beginning of year	$ 496,400	$ 1,676,800	$ 446,300	$ 811,500	$ 132,700	$ 161,800	$ 3,725,500	$ 3,519,300
Add:								
Claim costs incurred:								
Current year injuries	173,548	135,291	18,084	214,318	33,236	60,670	635,147	639,613
Prior years' injuries	(32,582)	108,138	19,630	99,699	(4,195)	3	190,693	220,478
	140,966	243,429	37,714	314,017	29,041	60,673	825,840	860,091
	637,366	1,920,229	484,014	1,125,517	161,741	222,473	4,551,340	4,379,391
Deduct:								
Claim payments made:								
Current year injuries	67,248	1,391	784	82,118	1,836	16,070	169,447	166,813
Prior years' injuries	106,818	119,738	39,930	117,199	30,205	46,703	460,593	487,078
	174,066	121,129	40,714	199,317	32,041	62,773	630,040	653,891
Claim benefit liabilities, end of year	$ 463,300	$ 1,799,100	$ 443,300	$ 926,200	$ 129,700	$ 159,700	$ 3,921,300	$ 3,725,500

These benefits are expressed in constant dollars discounted at 3.25% per annum (2003 – 3.50%), being the difference between expected investment earnings and expected increases in benefit payments, except for wage based disability payments that are discounted at 3.75% (2003 – 4.00%), and rehabilitation and claim administration costs that are discounted at 2.25% (2003 – 2.50%). Health care costs are ultimately discounted at 0.08% (2003 – 0.50%) to reflect expected higher increases in health care costs and utilization. These net discount rates are based on underlying assumptions of 6.09% (2003 – 7.00%) per annum investment earnings, 2.75% (2003 – 3.38%) growth in the Consumer Price Index, 3.75% (2003 – 4.39%) growth in rehabilitation and administration costs, and 6.00% (2003 – 6.47%) growth in health care costs.

9. Claim Benefit Liabilities – continued

The following table is a reconciliation of the changes in the claim benefit liability during the year:

($ thousands)		2004	2003
Claim benefit liabilities, beginning of year	$	3,725,500	$ 3,519,300
Add:			
Provision for current year injuries		465,700	472,800
Interest allocated		243,100	229,200
Difference between actual and expected long term cost of living adjustments and inflation		(35,000)	35,800
Revision to actuarial methods and assumptions		-	10,900
Change to actuarial discount rate		88,600	-
		4,487,900	4,268,000
Deduct:			
Payments, for prior years' injuries, excluding self-insured employers		453,729	480,523
Claim cost experience lower than expected		112,871	36,177
Policy change re: annual Economic Loss Payment reviews		-	25,800
		566,600	542,500
Claim benefit liabilities, end of year	$	3,921,300	$ 3,725,500

10. Pension Plans and Other Post-Employment Benefits

Pension plans
The WCB provides post-retirement benefits through employer and employee participation in multi-employer defined benefit pension plans sponsored by the Province of Alberta, namely, the Management Employees Pension Plan and Public Service Pension Plan. For the year ended December 31, 2004, the expense for these pension plans is equivalent to their aggregate annual contributions of $5,346 (2003 – $3,775).

Long-term disability plan
The WCB administers a non-contributory long-term disability income continuance plan for its employees, with the WCB Accident Fund covering the obligations of the plan.

At December 31, 2004, the actuarial valuation reported an accrued benefit obligation (actuarial present value of cumulative benefits attributed to employee services to the reporting date) of $12,558 (2003 – $14,157). The accrued benefit liability of the plan (current and past years' benefit costs less cash contributions to the reporting date) is $13,629 (2003 – $12,628), and is included in payables and accruals. The expense for the period was $2,304 (2003 – $2,332). The amount of benefits paid and the contributions by WCB to the plan for the period was $1,303 (2003 – $1,455). The discount rate used in determining the benefit obligation was 4.63% (2003 – 4.25%). The assumed rate of salary escalation for participants in the plan was 3.75% (2003 – 3.00%).

Supplemental executive retirement plan
The WCB also maintains a voluntary, unfunded, non-contributory supplemental retirement benefit plan to ensure that executives whose earnings exceed the threshold earnings for the maximum pension benefit permitted under the federal *Income Tax Act* will receive pension benefits based on their total earnings.

11. Premium Revenue

($ thousands)	2004	2003
Premiums	$ 1,002,853	$ 924,953
Less:		
Partners in Injury Reduction rebates	66,675	47,311
	$ 936,178	$ 877,642

12. Investment Income

($ thousands)	2004	2003
Fixed income securities		
Conventional bonds	$ 95,875	$ 91,027
Real return bonds	20,310	16,492
Other interest	2,404	2,659
	118,589	110,178
Real estate fund	7,981	9,992
Equities		
North America		
Canada	64,785	93,269
United States	28,548	(15,730)
	93,333	77,539
Foreign		
International	29,879	3,348
Emerging markets	14,708	14,624
	44,587	17,972
	137,920	95,511
	264,490	215,681
Less:		
Other investment expense		
Provision for impairment writedown	39,553	-
Investment-related administration expense*	601	709
	$ 224,336	$ 214,972

*WCB internal expenses only. External costs (e.g., transaction costs, management, custodial, and audit fees, etc.) are netted against the respective revenue sources.

13. Other Revenue

($ thousands)	2004	2003
Other	$ 400	$ 452
Millard Health	2,567	1,244
	$ 2,967	$ 1,696

14. Administration Expenses

($ thousands)	Customer Services	Corporate Services	2004	2003
Salaries and employee benefits (Schedule A)	$ 69,050	$ 18,671	$ 87,721	$ 86,875
Office and communications	21,357	1,067	22,424	21,513
Amortization of property, plant and equipment	9,342	1,682	11,024	10,905
Building operations	2,647	1,614	4,261	4,642
Consulting fees	629	1,765	2,394	2,273
Travel and vehicle operation	639	276	915	909
Other	23	202	225	255
	$ 103,687	$ 25,277	128,964	127,372
Less:				
Claim administration costs			62,773	64,360
Charged to investment revenue			601	709
Recovery of costs			3,075	2,970
			$ 62,515	$ 59,333

Customer Services relates to all activities associated with Risk and Disability Management. Corporate Services relates to all activities associated with Human Resources, Legal Services, Finance, Corporate Communications, and Administrative Services.

15. Self-Insured Employers

The financial statements include the effects of transactions on behalf of self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenses. Currently, the Federal Government is the only self-insured employer. This is a contractual relationship in accordance with the Government Employees Compensation Act. Certain government-related entities and railways are responsible for the cost of injuries to their workers that occurred when they were self-insured in prior years. Premiums also include amounts billed to self-insured employers.

Aggregate amounts of such premiums and offsetting expenses included in the statement of operations are as follows:

($ thousands)	2004	2003
Premium revenue	$ 8,802	$ 7,889
Claim costs incurred:		
Short-term disability	1,828	1,319
Long-term disability	1,467	1,529
Survivor benefits	714	753
Health care	3,193	2,778
Rehabilitation	103	119
	7,305	6,498
Administration expenses	1,497	1,391
	$ 8,802	$ 7,889

16. Injury Reduction

The WCB has a statutory obligation to reimburse the Alberta Minister of Finance a portion of the costs associated with administration of the Occupational Health and Safety Act.

Funding is provided to industry-sponsored safety associations for the purpose of improving workplace safety practices.

($ thousands)	2004	2003
Occupational Health & Safety	$ 9,600	$ 9,600
Safety Associations	6,253	5,731
	$ 15,853	$ 15,331

17. Appeals Commission

The Appeals Commission operates independently, and is administered by the Alberta Ministry of Human Resources and Employment. In accordance with Section 12 of the Act, the operating costs of the Appeals Commission are funded by the WCB from the Accident Fund.

18. Related Party Transactions

Included in these financial statements are transactions with various Alberta Crown corporations, departments, agencies, boards, and commissions related to the Board by virtue of common influence by the Government of Alberta. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Statutory funding obligations relating to Occupational Health and Safety and Appeals Commission are in accordance with the applicable legislation and regulations.

The amounts outstanding at year-end and transactions throughout the year are as follows:

($ thousands)	2004	2003
Receivables	$ 1,731	$ 1,693
Payables and accruals	1,675	3,977
Premium revenue	8,739	8,490
Expenses	16,545	15,646

19. Commitments

The WCB has obligations under long-term non-cancellable contracts for office space, leased equipment, and commitments for purchases of goods and services. The following is a schedule of future expenditures to be charged to Administration:

($ thousands)	2004	2003
2004	$ -	$ 7,744
2005	8,707	5,691
2006	6,388	4,907
2007	1,187	664
2008	823	695
Beyond	3,604	3,545
	$ 20,709	$ 23,246

20. Contingencies and Indemnification

Legal proceedings
The WCB is party to various claims and lawsuits that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable. However, based on the total amount of all such actions, the WCB has concluded that the outcomes will not have a material effect on the results of operations or financial position.

Indemnification
In the normal course of operations, the WCB indemnifies certain contractual parties as required under standard contract terms. The terms of these indemnification agreements will vary based upon the contract, and/or the occurrence of contingent or future events, the nature of which prevent the WCB from making a reasonable estimate of the maximum potential amount that could be required to pay to those counterparties.

The WCB has not made any payments under such indemnification arrangements, and no amounts have been accrued in the financial statements with respect to these indemnifications.

Long-standing contentious claims
The Workers' Compensation Act was revised May 21, 2002, to include Section 157.1 *Long-Standing Contentious Matters*, allowing the Lieutenant Governor in Council to make regulations. No regulation has been made in relation to long-standing contentious claims, and these financial statements do not contain any provision for liabilities in respect of any resulting costs arising from this, as the amounts are not presently determinable.

21. Budget

The Board of Directors approved the 2004 budget in October 2003. The impact of the accounting policy change to fair value was not included in preparing the 2004 budget.

22. Comparative Figures

Where required, certain comparative figures for 2003 have been reclassified to conform to the current year's presentation.

The Workers' Compensation Board of Alberta
Salaries and Benefits
Years Ended December 31

Schedule A

	2004					2003	
	Number of Individuals	Salary [1]	Benefits [2,3]	Other	Total	Number of Individuals	Total
Chairman, Board of Directors [4]	1	$ 68,310	$ 2,715	$ -	$ 71,025	1	$ 56,520
Board Members [4]	9	129,236	6,316	-	135,552	9	132,601
	10	197,546	9,031	-	206,577	10	189,121
President and Chief Executive Officer	1	290,250	40,576	-	330,826	1	307,284
Vice President, Customer Service & Disability Management	1	198,000	24,246	-	222,246	1	215,007
Vice President, Customer Service & Risk Management	1	195,000	31,337	-	226,337	1	216,156
Vice President, Business Development & I.M.	1	193,750	29,319	-	223,069	1	218,346
Vice President, Employee & Corporate Services	1	184,375	25,659	-	210,034	1	201,220
Chief Financial Officer	1	195,101	30,572	-	225,673	1	259,851
Secretary & General Counsel	1	183,350	30,399	-	213,749	1	208,896
	7	1,439,826	212,108	-	1,651,934	7	1,626,760
Staff	1,624	83,985,762	14,006,465	-	97,992,227	1,589	93,991,856
Termination Benefits		-	-	806,053 [5]	806,053		2,439,554
Long-Term Disability		-	-	2,304,026 [6]	2,304,026		2,332,369
Other Staff-Related Expenses		-	-	1,684,968 [8]	1,684,968		1,837,237
Less: Salaries & Benefits for Millard Health		(14,390,075)	(2,534,887)	-	(16,924,962)		(15,521,220)
Administration - Salaries & Benefits		$ 71,233,059	$ 11,692,717	$ 4,795,047	$ 87,720,823		$ 86,875,677

1 Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

2 Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans contributions, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service and vacation payout.

3 No amount is included in benefits and allowances for; car allowances, car insurance, or the value of parking and interest-free computer purchase loans.

4 The Chairman of the Board of Directors and Board Members are part time positions. The past Chairman of the Board term ended January 2004. The current Chairman of the Board was appointed February 2004.

5 Termination benefits include retiring allowances, accrued sick leave and other settlement costs due to loss of employment.

6 The adjustment to the liability for long-term disability claims reflects changes to the actuarial present value of all future payments expected to be made for claims, which have occurred in current and prior years.

8 Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association meetings, in-house training programs, retiree's benefits and relocation costs.

Ministry of Human Resources
and Employment

Future Challenges

- Department of Albert Human Resources and Employment (AHRE)
- Personnel Administration Office (PAO)
- Alberta Labour Relations Board (ALRB)
- Appeals Commission for Albert Workers' Compensation (Appeals Commission)

Department of Alberta Human Resources and Employment

Future Challenges

The Department of Human Resources and Employment (AHRE) will continue to serve Albertans in a way that supports opportunities for a better quality of life, greater ability to find and keep a job, and increased opportunity to perform that job in a safe, fair environment. In the past year, initiatives have been introduced or expanded to achieve those ends, such as Alberta Works and Work Safe Alberta. As the provincial department supporting both social and economic policy, AHRE is uniquely positioned to ensure that opportunities created by economic prosperity and growth benefit those in the workforce as well as Albertans who are looking to find their place in the labour market.

Challenges

Economic

Alberta is expected to enjoy continued economic growth, low unemployment, high labour force participation rates, and the highest workforce productivity rate in Canada. However, strong economic growth typically leads to labour shortages and skills deficits, wage demands and more pressure on the workplace. In addition to ensuring that Alberta workers have the right skills for a rapidly changing economy, the challenge for the Department will be to increase the short- and long-term supply of skilled labour, through greater labour force participation of all groups of workers and the alignment of immigration policy and programs.

The nature of Alberta's growth and the competitive demands of a global economy require an ongoing emphasis on workplace productivity. SuperNet and new wireless technologies are creating new businesses and service access opportunities for Albertans. The Department must continue to support workers who are part of the labour force today as well as continue to develop strategies to support the labour force of the future.

At the same time, other factors like the value of the Canadian dollar, Bovine Spongiform Encephalopathy (BSE), U.S. protectionism, and the potential for an influenza pandemic could result in the need for labour market adjustments and supports for transitions in some industries. The Department must continue to support those Albertans facing a career change who will need services and training to help them return to the workforce as quickly as possible.

A rapidly growing economy also brings the challenge of ensuring healthy and safe workplaces. AHRE will need to focus on helping organizations develop positive labour-management relationships and promote fair and balanced employment standards and practices. As employment increases, so does the number of inexperienced workers entering the workforce. Workers with less than six months experience (including many young

workers as well as those who have experience in another role) are three times more likely to be injured than those with a year or more of experience. The challenge will be to sustain the momentum of the Work Safe Alberta initiative and ensure people are getting the help they need to minimize workplace injuries and incidents.

Fiscal

The Government of Alberta continues to emphasize effective and efficient sustainability of its programs and services, while remaining committed to being open, accountable and fiscally responsible to taxpayers. For the Department, income support sustainability continues to be a major issue with higher long-term care accommodation charges, utility costs, and medical and dental costs putting pressure on AHRE to keep up with these increases. Total expenditures on medical and dental costs alone in 2004/05 were 11% higher than those incurred in the 2003/04 fiscal year. Higher per-client costs bring concerns about the Department's ability to pay for the additional expenses within annual budget allocations.

Program sustainability in the skills area is affected by the continued growth in the population, the economy, the labour force, and the demand for skilled labour. With this continued growth, the demand for financial support is expected to continue to be strong to support people while they are in much needed training programs (e.g.: apprenticeship).

Social

The social fabric of Alberta is changing which may change the demand for the Department's programs and services. Alberta's fast growing population is aging and becoming more ethnically diverse with increased immigration. While most Albertans enjoy prosperity from the province's economic growth, it also creates difficulty for low-income families that have been impacted by the recent significant increases in the cost of living and by the shortage of affordable housing. The challenge for the Department is to ensure that low-income families continue to get the financial resources and other supports they need. Other supports include ensuring families get the child support payments to which they are entitled, health benefits to keep them well, and the help they need to find and keep a job.

Furthermore, there continues to be a need for greater labour force participation by groups under-represented in the workforce, such as Aboriginal people, persons with disabilities, and young people. The 2004 unemployment rate for Aboriginals and Albertans aged 15 to 24 was 9.2% and 8.5% respectively, compared to the provincial unemployment rate of 4.6%. Increased participation in the labour force would enhance the independence of these under-represented groups, as well as address industry's need for greater access to skilled workers.

Other

Alberta is also becoming more urbanized, requiring ongoing responsiveness in program design and delivery to address the unique needs of rural and urban communities. Within the Department, the challenge is to ensure technology supports innovative and effective service delivery, find the right balance between flexibility in meeting regional needs, and ensure consistency in the services provided to individuals and employers.

Opportunities

The Department has identified five significant opportunities arising from these challenges to focus on over the next three years:

Human Resource Development

To help develop Alberta's human resource capacity in order to realize the benefits that a skilled and productive workforce offers all Albertans, AHRE will place a greater emphasis on workforce development initiatives that acknowledge industry's need for greater access to skilled workers. In addition, the Department recognizes the importance of workforce productivity in keeping Alberta internationally competitive and will also ensure alignment of its objectives with trends in education, including apprenticeship training.

Partnerships

To be a leader and innovator in developing strategic alliances and networks with others to address the people, skills and workplace agendas, AHRE will continue to consider a broad range of stakeholders as potential partners and will design innovative, collaborative models to work with them. These partners will include industry, professional associations, unions, municipalities, other departments, Aboriginal governments and organizations, training providers, clients and others.

Workplace

To ensure that workplaces remain fair in times of change, AHRE will be an honest broker and respected voice on matters related to workplace health and safety, collective bargaining and employment standards for all Albertans.

Innovative Delivery

To continue to pursue new and innovative ways of delivering AHRE programs and services, the Department will take advantage of opportunities such as new technologies, integration and streamlining of policies, bundling of programs and services, outsourcing, effective resource allocation and partnerships in pursuing excellence in its business practices.

Sustainability

To continue to support the Government of Alberta's (GOA) sustainability agenda, the Department's programs and services will continue to support the GOA's long-term overall goals of fiscal responsibility, and sustainability.

Future Challenges

The Government's vision for the Alberta public service is that "The Alberta public service is respected for its attitudes, knowledge and skills, its effective management of public policy and its dedication to achieving quality, affordable services for Albertans." This must be achieved in a competitive labour market with changing demographic and economic trends. To meet the challenge of ensuring a skilled and available workforce, the Government of Alberta is focusing on attracting and retaining talent, enhancing employee engagement, implementing succession management strategies, and providing a quality work environment.

Alberta Labour Relations Board

Future Challenges

In the coming 2005/06 fiscal year the Alberta Labour Relations Board will continue to fulfill its obligations to resolve issues arising from Alberta's labour relations legislation and to follow up on outstanding concerns relating to the *Labour Relations (Regional Health Authorities Restructuring) Amendment Act 2003*.

Appeals Commission for Alberta Workers' Compensation

Future Challenges

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) has a continuing objective to reduce the time to process an appeal. The challenge is to achieve this within a system that has ever-increasing complexity of issues and processes while maintaining an uncompromised fairness of process and adherence to the principles of administrative justice.

An additional challenge is to provide priority to initial appeals while addressing the continuing workload in such areas as reconsideration requests, one-year appeal deadline extensions, appeals to the Court, Freedom of Information requests, Ombudsman inquiries, etc.

Balancing the demands of all appeal-related activities with the demands to continue enhancing the competencies of the Appeals Commission through ongoing training activities and recruitment initiatives presents a continuing challenge.

Finding methods and resources to provide information to stakeholders to allow them to more effectively access and use the appeal system will be a further continuing challenge.

Appendices

- Appendix A – Visions & Missions
- Appendix B – Ministry Acts
- Appendix C – Ministry Office Locations
- Appendix D – Alphabetical List of Entities' Financial Information in Ministry 2004/05 Annual Report
- Appendix E – Performance Measures Source and Methodology

Appendix A

Vision and Mission Statements

Department of Human Resources and Employment (AHRE)

Vision Alberta works because we invest in people

Mission To provide a continuum of services and information that enables individuals to succeed in the changing workforce, fosters safe and healthy workplaces, and assists people in need.

Personnel Administration Office (PAO)

Vision PAO – Building a strong public service

Mission To provide corporate human resource strategies, policy frameworks and strategic support services that enable ministries to fulfill their business plans and achieve government's vision of the Alberta public service.

Alberta Labour Relations Board (ALRB)

Vision A fair and equitable application of Alberta's collective bargaining laws

Mission To administer, interpret and enforce Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way. It will do this by:

1. Educating the labour relations community and the public of their statutory rights and obligations;
2. Developing policies and processes that will assist the parties to prevent disputes or resolve their differences over these rights and obligations without resorting to litigation; and
3. Providing timely, appropriate, impartial resolution of those differences.

Appeals Commission for Alberta Workers' Compensation

Vision The leader in innovative appeal services

Mission To provide a timely, fair and independent appeals process consistent with legislation, policy and the principles of natural justice.

Appendix B

Ministry Acts

Agrologists Act
- Bylaws of the Alberta Institute of Agrologists (AR 376/67)

Architects Act
- Code of Ethics (AR 240/81)
- Education and Training Regulation (AR 241/81)
- Interior Design Regulation (AR 174/83)
- Practice Review Regulation (AR 175/83)
- Professional Practice Regulation (AR 242/81)

Blind Workers' Compensation Act
- No regulations

Burial of the Dead Act
- No regulations

Consulting Engineers of Alberta Act
- General Regulation (AR 78/04)

Employment Standards Code
- Employment Standards Regulation (AR 14/97)

Engineering, Geological and Geophysical Professions Act
- General Regulation (AR 150/99)
- Registered Professional Technologist (Geological) and Registered Professional Technologist (Geophysical) Regulation (AR 36/03)

Government Organization Act
- Grants, Donations and Loans Regulation (AR 315/83)
- Radiation Health Administration Regulation (AR 49/96)

Income and Employment Supports Act
- Child and Adult Support Services Regulation (AR 61/04)
- Employment and Training Benefits for Persons with Disabilities Regulation (AR 59/04)
- Income Supports, Health and Training Benefits Regulation (AR 60/2004)
- Recovery Regulation (AR 46/04)
- Recovery, Administrative Penalties and Appeals Regulation (AR 381/03)
- Temporary Employment and Job Creation Programs Regulation (AR 380/03)
- Training Provider Regulation (AR 384/03)

Labour Relations Code
- Construction Industry Jurisdictional Assignment Plan Regulation (AR 2/00)
- Construction Industry Transitional Regulation (AR 342/88)
- Horizon Oil Sands Project Designation Regulation (AR 264/2004)
- Regional Health Authority Collective Bargaining Regulation (AR 80/03)

Land Agents Licensing Act
- Land Agents Licensing Regulation (AR 227/01)

Land Surveyors Act
- Code of Ethics Regulation (AR 324/82)
- Discipline Regulation (AR 325/82)
- Examination and Training Regulation (AR 86/03)
- Professional Practice Regulation (AR 327/82)

Managerial Exclusion Act
- No regulations

MLA Compensation Act
- No regulations

Occupational Health and Safety Act
- Farming and Ranching Exemption Regulation (AR 27/95)
- Occupational Health and Safety Regulation (AR 62/03)
- Occupational Health and Safety Code Order (AR 321/03)

Parentage and Maintenance Act
- Parentage and Maintenance Regulation (AR 251/98)

Police Officers Collective Bargaining Act
- No regulations

Professional and Occupational Associations Registration Act
- Alberta Community Planner Regulation (AR 240/89)
- Alberta Institute of Purchasing Management Regulation (AR 131/89)
- Alberta Shorthand Reporters Regulation (AR 197/96)
- Certified Management Consultants Regulation (AR 61/91)
- Human Ecologist and Home Economist Regulation (AR 119/02)
- Information Systems Professional Regulation (AR 39/97)
- Local Government Managers Regulation (AR 62/91)
- Municipal Assessor Regulation (AR 84/94)
- Professional Biologists Regulation (AR 120/02)
- Professional Chemists Regulation (AR 248/01)
- Professional Electrical Contractors Regulation (AR 36/04)
- School Business Officials Regulation (AR 37/04)

Public Service Act
- No regulations

Public Service Employee Relations Act
- No regulations

Radiation Protection Act
- Radiation Protection Regulation (AR 182/03)

Regulated Accounting Profession Act
- Certified General Accountants Regulation (AR 176/01)
- Certified Management Accountants (AR 177/01)
- Chartered Accountants Regulation (AR 178/01)

Regulated Forestry Profession Act
- Expenses and Review Fees Regulation (AR 77/02)
- Registered Professional Forest Technologists Regulation (AR 76/02)
- Registered Professional Foresters Regulation (AR 75/02)

Special Payment Act
- No regulations

Veterinary Profession Act
- Exemption Regulation (AR 43/86)
- General Regulation (AR 44/86)

Widows' Pension Act
- Widows' Pension Regulation (AR 166/83)

Workers' Compensation Act
- Firefighters' Primary Site Cancer Regulation (AR 102/03)
- Workers' Compensation Regulation (AR 325/02)

Appendix C

Ministry Office Locations

DEPARTMENT OF ALBERTA HUMAN RESOURCES AND EMPLOYMENT SERVICE OFFICES

ATHABASCA
Service Centre
300, Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: (780) 675-2243

BARRHEAD
District Office
PO Box 4517, Provincial Building
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: (780) 674-8345

BONNYVILLE
Service Centre
Box 8115, New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: (780) 826-4175

BOW CORRIDOR
District Office
301, Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: (403) 678-2363

BROOKS
District Office
200, 600 Cassils Road East
Brooks AB T1R 1M6
Phone: (403) 362-1278

CALGARY - EAST
Alberta Service Centre
Main Floor, 525 – 28 Street SE
Calgary AB T2A 6W9
Phone: (403) 297-1907

Canada-Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: (403) 297-7570

CALGARY - NORTH
Canada-Alberta Service Centre
One Executive Place
300, 1816 Crowchild Road NW
Calgary AB T2M 3Y7
Phone: (403) 297-3951

CALGARY - SOUTH/CENTRAL
Alberta Service Centre
Main Floor, RPW Building
1021 – 10 Ave SW
Calgary AB T2R 0B7
Phone: (403) 297-5249

Labour Market Information Centre
5th Floor, Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: (403) 297-6344

Canada-Alberta Service Centre
280, Harry Hays Building
220 – 4 Avenue SW
Calgary AB T2G 4X3
Phone: (403) 297-2867

Canada-Alberta Service Centre
PO Box 5175 Station A
100, 6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: (403) 297-4024

Long Term Support Office
500, TGS Place
1520 – 4 Street SW
Calgary AB T2R 1H5
Phone: (403) 297-8511

Child Support Service Office
7th Floor, John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: (403) 297-8871

Temporary Employment Programs
Spaeth Building
3805 – 29 Street NE
Calgary AB T1Y 6B5
Phone: (403) 297-7702

Employment Standards
700 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: (403) 297-4346

Workplace Health & Safety
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 1 (866) 415-8690

CAMROSE
Canada-Alberta Service Centre
2nd Floor, 4901 – 50 Avenue
Camrose AB T4V 0S2
Phone: (780) 608-2525

CLARESHOLM
District Office
Box 1650, Provincial Building
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: (403) 625-4457

COLD LAKE
District Office
PO Box 698
408, 6501 – 51 Street
Cold Lake AB T9M 1P2
Phone: (780) 594-1984

CROWSNEST PASS
District Office
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: (403) 562-3285

DRAYTON VALLEY
Sub-Office
PO Box 7595
2nd Floor, Provincial Building
5136 – 51 Avenue
Drayton Valley AB T7A 1S7
Phone: (780) 542-3134

DRUMHELLER
Alberta Service Centre
Box 2079
2nd Floor Riverside Centre
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: (403) 823-1616

EDMONTON - CITY CENTRE
Alberta Service Centre
3rd Floor, 10242 – 105 Street
Edmonton AB T5J 3L5
Phone: (780) 415-4900

EDMONTON - NORTH
Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: (780) 422-9440

Canada-Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: (780) 644-2888

EDMONTON - SOUTH
Canada-Alberta Service Centre
Argyll Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: (780) 438-8111

EDMONTON - WEST
District Office
200, Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: (780) 415-6500

Canada-Alberta Service Centre
120 Meadowlark Shopping Centre
15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: (780) 415-8116

Child Support Service Office
9th Floor, Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: (780) 415-6400

Employment Standards Contact Centre
Storefront Operations
Main Floor, Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: (780) 427-3731

Workplace Health & Safety
North Region
10th Floor, South Tower
Capital Health Centre
10030 – 107 Street
Edmonton, AB T5J 3E4
Phone: (780) 415-8690

EDSON
Canada-Alberta Service Centre
102, Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 723-8317

Employment Standards
PO Box 6780
4904 – 4 Avenue
Edson AB T7E 1V2
Phone: (780) 427-3731

FORT MCMURRAY
Canada-Alberta Service Centre
1st Floor, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 743-7192

Employment Standards
714, Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 427-3731

GRANDE CACHE
District Office
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: (780) 827-3335

GRANDE PRAIRIE
Canada-Alberta Service Centre
100, Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: (780) 538-6241

Employment Standards
3101, Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: (780) 427-3731

Workplace Health & Safety
3101, Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 1 (866) 415-8690

HIGH LEVEL
Alberta Service Centre
Mail Bay 1000
9806 – 98 Street
High Level AB T0H 1Z0
Phone: (780) 841-4315

HIGH PRAIRIE
Alberta Service Centre
PO Box 849
2nd Floor, Provincial Building
5226 – 53 Avenue
High Priarie AB T0G 1E0
Phone: (780) 523-6650

HINTON
Alberta Service Center
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: (780) 865-8273

LAC LA BICHE
Service Site
PO Box 420, Provincial Building
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: (780) 623-5215

LEDUC
District Office
4901 – 50 Avenue
Leduc, AB T9E 6M1
Phone: (780) 980-0557

LETHBRIDGE

Canada-Alberta Service Centre
Mail Bag 3014, Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (403) 380-2272

Employment Standards
360, Provincial Building
200 – 5 Avenue S
Lethbridge AB T1J 4C7
Phone: (403) 381-5423

Workplace Health & Safety
360, Provincial Building
200 – 5 Avenue S
Lethbridge AB T1J 4C7
Phone: (1) 866-415-8690

LLOYDMINSTER

Canada-Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: (780) 871-6445

MEDICINE HAT

Canada-Alberta Service Centre
5th Floor, Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3550

Employment Standards
103, Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3522

Workplace Health & Safety
103, Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 1 (866) 415-8690

OLDS

Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: (403) 556-4200

PEACE RIVER

District Office
Bag 900-15, Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: (780) 624-6135

Employment Standards
Main Floor, Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4
Phone: (780) 427-3731

PINCHER CREEK

Career Development Centre
Box 2138, 160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: (403) 627-1125

RED DEER

Alberta Service Centre
109 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5439

Canada-Alberta Service Centre
3rd Floor, First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: (403) 340-5353

Employment Standards
2nd Floor, Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-7121

Workplace Health & Safety
2nd Floor, Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 1 (866) 415-8690

ROCKY MOUNTAIN HOUSE

Alberta Service Centre
PO Box 1180
Main Floor, New Provincial Bldg
4919 – 51 Street
Rocky Mountain House AB
T4T 1A8
Phone: (403) 845-8590

SHERWOOD PARK

District Office
Trillium Centre
121 Crimson Avenue
Sherwood Park AB T8H 2T5
Phone: (780) 464-7000

SLAVE LAKE

Canada-Alberta Service Centre
PO Box 70
2nd Floor, Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: (780) 849-7290

SPRUCE GROVE

Parkland District Office
PO Box 1230
200 Wesgrove Professional Building
131 – 1 Avenue
Spruce Grove AB T7X 2Z8
Phone: (780) 962-8681

ST. ALBERT

District Office
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: (780) 458-9400

ST. PAUL

Canada-Alberta Service Centre
PO Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 427-3731

Employment Standards
PO Box 403, Courier Box 14
Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4
Phone: (780) 645-6361

STETTLER

Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: (403) 742-7586

TABER
Sub-Office
Provincial Building
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: (403) 223-7921

VEGREVILLE
Alberta Service Centre
24, Husky Plaza Mall
5341 – 50 Avenue
Vegreville AB T9C 1P8
Phone: (780) 632-5453

VERMILION
Alberta Service Centre
PO Box 25, Provincial Building
4701 – 52 Avenue
Vermilion AB T9X 1J9
Phone: (780) 853-8164

WAINWRIGHT
Alberta Service Centre
19, Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: (780) 842-7500

WESTLOCK
District Office
10211 – 100 Street
Westlock AB T7P 2G5
Phone: (780) 349-7700

WETASKIWIN
Alberta Service Centre
Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: (780) 361-1272

WHITECOURT
Service Delivery Site
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: (780) 778-7149

AHRE CONTACT CENTRES
7th Floor, Park Plaza
10611 – 98 Avenue
Edmonton, AB T5K 2P7

Alberta Works Contact Centre
Phone: (780) 644-5135
Toll-free: 1-866-644-5134

Canada Alberta Jobs
Phone: (780) 427-5627
Toll-free: 1-800-999-1546

Career Information Hotline
Phone: 1-800-661-3753

Child Health Benefits
Phone: (780) 427-6848
Toll-free: 1-877-469-5437

Employment Standards Contact Centre
Phone: (780) 427-3731
Toll-free: 310-0000

Student Funding Contact Centre
Phone: (780) 427-3722
Toll-free: 1-800-222-6485

Workplace Health & Safety Contact Centre
Phone: (780) 415-8690
Toll-free: 1-866-415-8690

PERSONNEL ADMINISTRATION OFFICE

EDMONTON
6th Floor
Peace Hills Trust Tower
10011 – 109 Street
Edmonton AB T5J 3S8
Phone: (780) 408-8400

ALBERTA LABOUR RELATIONS BOARD

EDMONTON
503, Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: (780) 427-8547

CALGARY
3rd Floor, Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: (403) 297-4334

APPEALS COMMISSION

EDMONTON
Energy Square Building
#901, 10109 - 106th Street
Edmonton, AB T5J 3L7
Phone: (780) 412-8700

CALGARY
Braithwaite Boyle Building
#403, 1701 Centre Street North
Calgary, AB T2E 7Y2
Phone: (403) 508-8800

WORKERS' COMPENSATION BOARD

EDMONTON
PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: (780) 498-3999
Toll-free: 1 (866) 922-9221

CALGARY
300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: (403) 517-6000

Appendix D

Alphabetical List Of Entities' Financial Statements In Ministry 2004-05 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Advanced Education[2]	Advanced Education
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[2]	Human Resources and Employment
Ministry of Infrastructure and Transportation[2]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[2]	International and Intergovernmental Relations
Ministry of Justice[2]	Justice
Ministry of Municipal Affairs[2]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[2]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General

[2] Ministry includes only the departments so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Wild Rose Foundation	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Post Secondary Institutions	Advance Education
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Education
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

Appendix E

Department of Human Resources and Employment

Performance Measures Source and Methodology

The following information is a summary of the Department of Human Resources and Employment's (AHRE) performance measures methodologies for the results reported in the Results Analysis Section.

KEY PERFORMANCE MEASURE 1.b
Percentage of Child Support Services clients with potential for child support who have a support order or agreement when the Child Support Services file closes.

Methodology
Number of Child Support Services clients who have obtained a child support order/agreement divided by the Number of Child Support Services files closed each month with potential for a child support order/agreement.

The result is based on the total number of Child Support Services file closures excluding those files determined, after a Child Support Services assessment, to have no potential for child support (no ability to pay; whereabouts unknown; respondent deceased; couple reconciled; etc.) as the denominator. From this, the number of files with an order or agreement in place at the time of file closure was used to determine the numerator. Data is reported as a percentage per fiscal year.

KEY PERFORMANCE MEASURE 1.c
Percentage of ACHB parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.

Methodology
A telephone survey was conducted by independent consultants to measure satisfaction levels of families receiving the Alberta Child Health Benefit (ACHB). In 2004/05, 400 ACHB clients completed the survey (58 potential respondents chose not to participate in the survey), representing an estimated margin of error of ±4.9% within a 95% confidence interval.

The result is generated from a weighted average for the following survey questions:
Using a scale of strongly disagree, somewhat disagree, somewhat agree or strongly agree, to what extent do you disagree or agree that:

i. The Alberta Child Health Benefit Program helps your children get dental services that they would not otherwise be able to receive.
ii. The Alberta Child Health Benefit Program helps your children get optical services (such as eyecare and glasses) that they would not otherwise be able to receive.
iii. The Alberta Child Health Benefit Program helps your children get prescribed drugs that they would not otherwise be able to receive.

KEY PERFORMANCE MEASURE 1.e
Satisfaction of individuals who have received selected income support and health benefit programs:

- Income Support

Methodology
An independent consultant was retained to follow up on participants under the Work Outcomes Reporting Project (WORP) to contact former Income Support program participants. The survey question for this performance measure was "Using the same scale, where 1 is Very Satisfied, 2 is Somewhat Satisfied, 3 is Somewhat Dissatisfied, 4 is Very Dissatisfied, overall, how satisfied were you with the social assistance services you received?" The margin of error is estimated to be ±9.7% within a 95% confidence interval. The satisfaction rate for 2003/04 was restated using 12 months of data to allow for comparison of results between the 2003/04 and 2004/05 years.

- Alberta Child Health Benefit recipient families

Methodology
See Key Performance Measure 1.e for information about the Alberta Child Health Benefit (ACHB) survey.

The survey question for this performance measure was "Overall, how satisfied are you with the benefits available for your children under the Alberta Child Health Benefit Program? Would you say you are: 1. Very satisfied, 2. Somewhat satisfied, 3. Somewhat dissatisfied, or 4. Very dissatisfied."

SUPPLEMENTAL INFORMATION 1.1
Caseloads

Additional Information

Integrated Income Support: Working – Supplement to Earnings, People Expected to Work and People Not Expected to Work
Due to the *Income and Employment Supports Act*, the caseload formerly known as Supports for Independence is no longer available. The new income support benefit structure was implemented for "not expected to work" and "expected to work" client groups for the May 2004 (and later) benefit period. "Learners" received income support and training benefits under the new Act in August 2004. Caseloads for 2003/04 were restated to allow for comparison of caseloads between the 2003/04 and 2004/05 years.

Widows' Pension
Widows' Pension has been grandfathered for 2004/05 and 2005/06. On April 1, 2004, the Alberta Widow's Pension program stopped accepting new applications, because as of that date the program had been officially incorporated into the Income and Employment Supports Act (IESA). In order to not adversely affect Widows' Pension clients, and to allow them time to adjust their financial situation, those clients on the Widows' Pension caseload on April 1st 2004 will continue to receive benefits separately from IESA until March of 2006.

Learners
Not previously reported. Counts include full-time and part-time provincial and federal learners receiving income support and/or training allowance. Number of learners is the yearly number of students assisted, not a monthly average. These learners are in tuition-based training only.

ACHB
To align caseload reporting with that of other programs, caseloads are now reported as monthly average instead of caseload at year-end. Data for 2002/03 is not comparable to subsequent years, so it is not reported.

AAHB
AAHB was extended to SFI clients (pre IESA program description) effective November 2002.

Child Support Services
Income support program savings are maximized when child support arrangements are in place prior to income support file closure.

KEY PERFORMANCE MEASURE 2.a
Percentage of participants* employed post-intervention

* Participants in Work Foundations and Training for Work programs and services, formerly known as Employment/Training programs.

Methodology
Percentage of participants employed post-intervention includes those in Work Foundations and Training for Work programs and services. For Job Placement (JP), Self Employment (SE), Skills for Work (SW), Training on the Job (TOJ), Skills Development Program (SDP) and Temporary Employment Programs (TEP), an independent consultant is retained through the Work Outcomes Reporting Project (WORP) to contact former program participants post-intervention. Participants are asked questions from the applicable WORP questionnaire. All respondents are contacted through telephone surveys. Other than SDP and TEP, which are a census of participants, estimated margin of error rates for each survey are JP (4.3%), SE (7.3%), SW (4.8%) and TOJ (9.6%) within a 95% confidence interval.

The number of participants for each program is obtained from various sources such as: Career Assistance Information System (CAIS), Human Resources and Skills Development Canada/Alberta Advanced Education Results Dataset Analysis, Students Finance Board Reports, InfoPac, and WORP. A program is assigned a weighted value based on volume counts. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of participants employed post-intervention is calculated using the WORP file (2004/05) and the Graduates of Apprenticeship Satisfaction Survey (2002/03). The file is filtered to participants leaving those programs during the fiscal year. A frequency is generated for the question "Have you been employed at any time since you left <program name>?" The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the volume weighting for that program. The weighted values for all programs are added together to obtain the final, overall figure.

KEY PERFORMANCE MEASURE 2.b
Percentage of participants who indicate their training helped prepare them for future employment.

Methodology
Percentage of participants who indicated their training helped prepare them for future employment includes those in the Skills Development Program (specifically Training for Work and Work Foundations) and TEP. For all programs/services included in this measure, an independent consultant is retained through the WORP to contact former program participants post-intervention. Participants are asked questions from the applicable WORP questionnaire. All respondents are contacted through telephone surveys. See Key Performance Measure 2.a 'Participants Employed Post-Intervention' for margin of error and confidence interval details.

The number of participants for each program is obtained from two sources: CAIS and the WORP. A program is assigned a weighted value based on volume counts. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of participants employed post-intervention is calculated using the WORP file. The file is filtered to participants leaving those programs during the fiscal year. A frequency is generated for the question "Did your training prepare you for <future employment/ future training>?" The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the volume weighting for that program. The weighted values for all programs are added together to obtain the final, overall figure.

KEY PERFORMANCE MEASURE 2.c
Satisfaction of individuals who have used:

- Work Foundations/ Training for Work (formerly known as Employment/Training Programs)

Methodology
Work Foundations/Training for Work, formerly known as Employment and Training Programs and Job Placement, includes participants from Job Placement (JP), Self-Employment (SE), Skills for Work (SW), Training on the Job (TOJ), Skills Development Program (SDP), and Temporary Employment Programs (TEP). A frequency is generated for the question "On a scale of 1 to 4, where 1 is Very Satisfied, 2 is Somewhat Satisfied, 3 is Somewhat Dissatisfied and 4 is Very Dissatisfied, how satisfied were you with the service/program/training overall?"

For information on the WORP survey, for number of participants, weighting approach, margin of error and confidence interval details, see Key Performance Measure 2.a 'Participants Employed Post-Intervention'. The exception is the estimated margin of error rate for SW (4.9%) and TOJ (9.7%) within a 95% confidence interval, as there were a few less respondents to the survey question than for the measure 2a survey question.

- Career Development Services (formerly known as Career and Employment Assistance Services – CEAS)

Methodology
For information on WORP surveys, see Key Performance Measure 2.a 'Participants Employed Post-Intervention'. Satisfaction with Career Development Services, is based on a random sample of former Career Development Services program participants. A frequency is generated for the question "On a scale of 1 to 4, where 1 is Very Satisfied, 2 is Somewhat Satisfied, 3 is Somewhat Dissatisfied and 4 is Very Dissatisfied, how satisfied were you with the service/program/training overall?" The accuracy of the data is estimated to be ±5.1% within a 95% confidence interval.

KEY PERFORMANCE MEASURE 2.d
Percentage of clients satisfied with:

- Labour Market Information Centre Services

Methodology
The Labour Market Information Centre (LMIC) Client Satisfaction Survey is conducted every two years by AHRE. As 2,582 clients participated in 2004/05 LMIC survey the estimated margin of error is ±1.9% within a 95% confidence interval.

- Career Development Workshops

Methodology
See Key Performance Measure 2.c 'Satisfaction with Career Development Services' for information on the WORP CEAS survey. This is a survey of Career and Employment Assistance Services (CEAS) workshop participants who are followed up by an independent contractor six months after leaving the program regarding their overall satisfaction with the workshops. The margin of error is estimated to be ±10% within a 95% confidence interval.

- ALIS website

Methodology
The Student Finance Client Satisfaction (SFCS) survey is conducted once every two years by an independent consultant contracted through Alberta Advanced Education. The SFCS survey targets students who applied for financial assistance to attend school. A frequency is generated for the question "On a scale of 1 to 5, where 1 is Very dissatisfied, 2 is Somewhat dissatisfied, 3 is Neutral, 4 is Somewhat satisfied and 5 is Very satisfied, how satisfied were you with the information provided on the ALIS website?" In 2004/05, 1,044 Albertans answered this survey question, representing an estimated margin of error of ±3% within a 95% confidence interval.

- Canada-Alberta Job Order Bank Services

Methodology
An independent consultant conducted the Job Order Bank Services telephone survey with 600 Alberta employers, which corresponds to an estimated margin of error of ±4.0% within a 95% confidence interval.

- Student Finance Client Satisfaction

Methodology
The Student Finance Client Satisfaction survey is conducted once every two years by an independent consultant contracted through Alberta Advanced Education. Included in this survey is the overall satisfaction level of Albertans who contacted the Student Funding Contact Centre for information or advice. In 2004/05, 248 Albertans completed the telephone survey, representing an estimated margin of error of ±6.2% within a 95% confidence interval.

SUPPLEMENTAL INFORMATION 2.1
Number of participants in Work Foundation/Training for Work program and services.

Additional Information
The number of participants for each program is obtained from Career Assistance Information System (CAIS), the Human Resources and Skills Development Canada/Alberta Advanced Education Results Dataset Analysis, and the Student Finance Board Reports. All participants include funded and self-sponsored learners. The count matches the same months on which the survey data is based. See Key Performance Measure 2.a 'Participants Employed Post-Intervention' for information about the Work Outcome Reporting Project (WORP) survey.

SUPPLEMENTAL INFORMATION 2.2
Percentage of participants employed post-intervention by special group type.

Additional Information
Individuals may be counted in more than one special group type. All numbers for Aboriginal learners and learners with disabilities are preliminary and subject to refinement, and refer to only those clients in employment training programs and job placement and those who have identified themselves as a member of a special group. Aboriginal respondents and Persons with Disabilities are self-reported. Persons with Disabilities data does not include Temporary Employment Programs (TEP) participants. Immigrants are

defined as individuals who answered "no" to the question that appears on all surveys: "Were you born in Canada?" See Key Performance Measure 2.a for information about the Work Outcome Reporting Project (WORP) survey.

Up to and including 2002/03, employment results for clients in Job Placement, Self-Employment, Skills for Work, and Training on the Job programs were reported by contracted agencies, using the Alberta Human Resources and Employment - Career Assistance Information System (CAIS) and the Training Program and Employment Service Results. Since April 2003, results for these programs are from the Work Outcome Reporting Project (WORP), where the data is collected by an independent market research firm. See Key Performance Measure 2.a 'Participants Employed Post-Intervention' for additional methodology details.

SUPPLEMENTAL INFORMATION 2.3
Use of career and labour market information services.

Additional Information
Labour Market Information Centre (LMIC) Services: Count includes services provided by AHRE Service Centres and services provided by external service providers.

KEY PERFORMANCE MEASURE 3.a
Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%.

Methodology
A skill shortage situation is defined by an unemployment rate below 3%, where the demand for labour is greater than the supply. Statistics Canada surveys households each month and provides employment information for 53 occupational groups. Unemployment rates are determined for each of the 53 occupational groups. This number is calculated by dividing the number of people who are unemployed by the number of people in the labour force. Data is reported as a twelve month moving average, based on calendar year (Statistics Canada, Labour Force Survey Microdata). Caution on sample size: some unemployment rates are calculated using suppressed data. Statistics Canada does not report this number if the number of unemployed in a particular occupation is below 1,500. In this case, AHRE calculates the number of unemployed for these occupations by subtracting the number employed from the number in the labour force.

In February 2005, Statistics Canada revised all Labour Force Survey figures back to 1976. Therefore, results for previous years have been restated in this report.

SUPPLEMENTAL INFORMATION 3.1
Broad Occupational Categories with an unemployment rate below 3%.

Additional Information
See Key Performance measure 3.a 'Number of occupational groupings that are in a skill shortage situation as defined by an unemployment rate that is below 3%' for methodology details.

KEY PERFORMANCE MEASURE 4.a
Lost-Time Claim Rate:
- Number of lost time claims per 100 person years worked.

Methodology
The LTC rate represents the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. The measure indicates the number of lost-time claims per 100 person-years worked to indicate increases or decreases in this risk.

The Alberta Workers' Compensation Board (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to Human Resources and Employment (HRE) for analysis. The LTC rate is reported by calendar year and is calculated by HRE using the following formula:

$$\text{LTC Rate} = \frac{\text{Number of LTC}}{\text{Estimated Person-Years*}} \times 100$$

** One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.*

- Annual change in number of Lost-Time Claims (adjusted for change in size of workforce)

Annual change in number of Lost-Time Claims (adjusted for change in size of workforce) is calculated using the formula:

$$\text{Annual change in \# of LTC} = \text{Current year's LTC} - \text{Previous year's Adjusted LTC}$$

$$\text{Previous year's Adjusted LTC} = \text{Previous year's LTC} * \frac{\text{Current year's Person-year}}{\text{Previous year's Person-years}}$$

KEY PERFORMANCE MEASURE 4.b
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

Methodology
This measure refers to the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

AHRE collects data on the number of collective bargaining agreements settled without a work stoppage and the number of legal strikes/lockouts. This measure does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated by HRE using the following formula:

$$\text{\% of CBAs settled without a work stoppage*} = \frac{\text{\# of settled CBAs - \# of settlements}}{\text{\# of settled CBAs}} \times 100\%$$

* This measure includes data from all contracts under the Alberta Labour Relations Code and the Police Officers' Collective Bargaining Act. Contracts covered under other legislation are excluded (i.e. contracts under the Public Service Employees Relations Act, Federal jurisdiction, the Post Secondary Learning Act).

KEY PERFORMANCE MEASURE 4.c
Percentage of employers whose employment practices resulted in no complaints with Employment Standards.

Methodology
This measure is calculated as:

$$\frac{\text{(total \# of employers in Alberta) - (total \# of employers with a complaint filed against them)}}{\text{total number of employers in Alberta}}$$

The data for the total number of employers with a complaint filed against them is from the Employment Standards Information System (ESIS), collected by AHRE.

The data for the total number of employers in Alberta is collected by Statistics Canada, Canadian Business Patterns. This data set is a repository of information reflecting the Canadian business population and serves as a data source for the compilation of business demographic information. Data is collected daily and cleansed monthly. March results are used as the reference month for each fiscal year for the calculation of this measure. This data is filtered to count only employers who fall under the Alberta Employment Standards Code and Regulations, and who have one or more employees.

KEY PERFORMANCE MEASURE 4.d
Satisfaction of individuals who have used selected workplace programs and services:
- Mediation Services

Methodology
The Mediation Services Client Satisfaction mail survey was completed by 95 Alberta clients who had accessed Mediation Services. The survey is a census of the Mediation Services client population: The survey included all who had used services from the Mediation Services Branch between April 1 and December 31, 2004. This was the first time a survey was conducted for this new measure.

SUPPLEMENTAL INFORMATION 4.1
Percentage change in the lost-time claim rate for targeted employers – employers with a poor health and safety record.

Additional Information
See Key Performance Measure 4.a for the Lost-time Claim Rate methodology

AHRE targets employers who have high rates of injury and disease and works with them to improve workplace health and safety performance. The analysis was based on 692 employers who had active Work Compensation Board (WCB) accounts in both 2003 and 2004, and had at least one visit from an Occupational Health and Safety officer.

SUPPLEMENTAL INFORMATION 4.2
Percentage of the public aware of workplace health and safety.

Additional Information
A telephone survey was conducted by an independent consultant with 992 respondents. The margin of error is estimated to be ±3.1%, 19 times in 20.

SUPPLEMENTAL INFORMATION 4.3
Percentage change in the number of Certificate of Recognition (COR) holders.

Additional Information
A Certificate of Recognition (COR) is given to employers who develop health and safety programs that meet established standards. Certificates are issued by Certifying Partners and are co-signed by AHRE.

This measure was calculated as a count of the number of COR holders as at the last working day of March 2004, compared to the number of COR holders as at the last working day of March 2005.

Data Source: Alberta Human Resources and Employment.

SUPPLEMENTAL INFORMATION 4.4
Lost-Time Claim Rate for Certificate of Recognition (COR) holders compared to non-COR holders within selected industry sectors.

Additional Information
See Key Performance Measure 4.a for the Lost-time Claim Rate methodology, and Supplemental Information 4.3 methodology for a description of the Certification of Recognition (COR).

This measure is based on a calendar year, so the number of COR holders is based on the last working day of December for the reference year.

The industries grouped in each of these sectors may change from year to year due to changes in the industry or business area. 'Steel and Metal Fabrication Industry' was identified as 'Manufacturing Industry' in the 2004-07 Business Plan.

SUPPLEMENTAL INFORMATION 4.5
Use of workplace information services:

Additional Information

Contact Centre data: In 2003/04 and 2004/05, only calls answered are reported. During 2002/03, calls were counted as calls offered, which included calls answered, abandoned calls and deflected calls. Workplace health and Safety (WHS) Contact Centre results could not be restated to report calls answered only.

Website Visits data: Due to a change in methodology, comparable website visits are not available. Website visits reflects the number of visits to a page. A visit is a series of actions that begins when a visitor views the first page from the server, and ends when the visitor leaves the site or remains idle beyond the idle-time limit. The default idle-time limit is thirty minutes. In 2004/05, the visits count for Employments Standards and for Workplace Health and Safety also includes PDF visits. The WHS website visits is for the WHS and Network Top Pages Report and the Information Sharing Network.